



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

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

**For the three months period ended March 31, 2012**

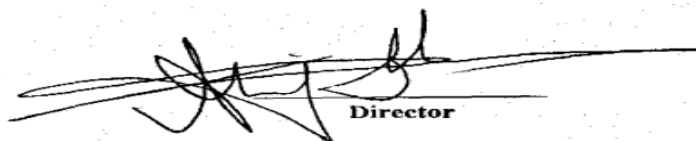
Pakistan Kuwait Investment Company (Private) Limited  
 Consolidated Condensed Interim Statement of Financial Position  
 As at March 31, 2012

	Note	March 31, 2012 (Un -Audited) (Rupees in '000)	December 31, 2011 (Audited)
<b>ASSETS</b>			
Cash and balances with treasury banks		48,747	442,766
Balances with other banks		11,505	24,653
Lendings to financial institutions		-	-
Investments	6	19,229,415	15,966,871
Advances	7	5,947,680	6,554,035
Operating fixed assets		283,032	282,125
Deferred tax assets		-	-
Other assets		712,233	660,108
		<b>26,232,612</b>	<b>23,930,558</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings from financial institutions	8	10,161,868	9,161,654
Deposits and other accounts	9	2,591,524	1,726,601
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		120,627	119,981
Other liabilities		707,657	334,203
		<b>13,581,676</b>	<b>11,342,439</b>
<b>NET ASSETS</b>		<b>12,650,936</b>	<b>12,588,119</b>
<b>REPRESENTED BY</b>			
Share capital		6,000,000	6,000,000
Reserves		3,114,865	3,114,865
Unappropriated profit		3,309,114	3,388,567
		<b>12,423,979</b>	<b>12,503,432</b>
Surplus on revaluation of 'available-for-sale' securities - net of tax	10	226,957	84,687
		<b>12,650,936</b>	<b>12,588,119</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

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

  
 Chief Financial Officer / Officiating Chief Executive

  
 Director

  
 Director

**Pakistan Kuwait Investment Company (Private) Limited**  
**Consolidated Condensed Interim Profit and Loss Account - (Un-audited)**


For the three months period ended March 31, 2012

	<b>Three months period ended March 31, 2012</b>	<b>Three months period ended March 31, 2011</b>
	-----Rupees in '000-----	
Mark-up / return / interest earned	584,169	531,378
Mark-up / return / interest expensed	398,492	375,499
Net mark-up / interest income	<u>185,677</u>	<u>155,879</u>
Provision / (Reversal) of provision against non-performing advances - net	5,156	(5,786)
(Reversal) of provision against non-performing lending to financial institution	(2,822)	(4,500)
Provision for diminution / impairment in the value of investments	34,350	26,323
Bad debts written off directly	-	-
	<u>36,684</u>	<u>16,037</u>
Net mark-up / interest income after provisions	<u>148,993</u>	<u>139,842</u>
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, commission and brokerage income	228	-
Dividend income	70,231	53,507
Income from dealing in foreign currencies	-	-
Gain on sale of securities - net	44,482	165,359
Unrealised gain on revaluation of 'held-for-trading' securities	-	-
Share in results of associates - net	195,793	348,226
Other income	6,253	4,400
Total non mark-up / interest income	<u>316,987</u>	<u>571,492</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	99,309	94,469
Other provisions / write offs	-	-
Other charges	-	-
Total non mark-up / interest expenses	<u>99,309</u>	<u>94,469</u>
Extra ordinary / unusual items	-	-
	<u>366,671</u>	<u>616,865</u>
<b>PROFIT BEFORE TAXATION</b>		
Taxation		
- Current	81,234	45,755
- Prior years	-	-
- Deferred	4,890	87,397
	<u>86,124</u>	<u>133,152</u>
<b>PROFIT AFTER TAXATION</b>		
Unappropriated profit brought forward	280,547	483,713
Unappropriated profit carried forward	3,871,145	2,510,618
	<u>4,151,692</u>	<u>2,994,331</u>
	-----Rupees-----	
<b>Basic and diluted earning per share (On share of Rs. 25,000 each)</b>	<u>1,169</u>	<u>2,015</u>

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

  
**Chief Financial Officer / Officiating Chief Executive**

  
**Director**

  
**Director**

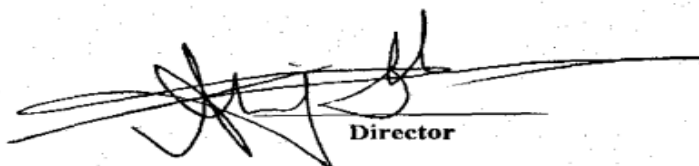
**Pakistan Kuwait Investment Company (Private) Limited**  
**Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)**  
*For the three months period ended March 31, 2012*

	<b>Three months period ended March 31, 2012</b>	<b>Three months period ended March 31, 2011</b>
	----- (Rupees in '000) -----	
Profit for the period	280,547	483,713
Other comprehensive income	-	-
<b>Comprehensive income transferred to equity</b>	<b>280,547</b>	<b>483,713</b>
<b>Component of comprehensive income not transferred to equity</b>		
Surplus / (deficit) on revaluation of 'available-for-sale' securities - net of tax	138,027	(32,836)
Deferred tax on revaluation of 'available-for-sale' securities - net of tax	4,243	(16,347)
<b>Total Comprehensive Income for the period</b>	<b>422,817</b>	<b>434,530</b>

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

  
**Chief Financial Officer / Officiating Chief Executive**

  
**Director**

  
**Director**

Pakistan Kuwait Investment Company (Private) Limited  
 Consolidated Condensed Interim Statement of Changes in Equity - (Un-audited)  
 For the three months period ended March 31, 2012

	Share capital	Reserves Statutory	Unappropriated profit	Total
------(Rupees in '000)-----				
Balance as at January 01, 2011	6,000,000	2,992,287	2,510,618	11,502,905
Profit for the three months ended March 31, 2011	-	-	483,713	483,713
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	483,713	483,713
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 March 31, 2011</b>	6,000,000	2,992,287	2,634,331	11,626,618
Balance as at January 01, 2012	6,000,000	3,114,865	3,388,567	12,503,432
Profit for the three months ended March 31, 2012	-	-	280,547	280,547
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	280,547	280,547
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 March 31, 2012</b>	6,000,000	3,114,865	3,309,114	12,423,979

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

  
 Chief Financial Officer / Officiating Chief Executive

  
 Director

  
 Director

Pakistan Kuwait Investment Company (Private) Limited  
 Consolidated Condensed Interim Cash Flow Statement (Un-audited)  
 For the three months period ended March 31, 2012

	March 31, 2012	March 31, 2011
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	366,671	616,865
Less: Dividend income	70,231	53,507
	<u>296,440</u>	<u>563,358</u>
Adjustments for:		
Depreciation	4,940	3,292
Amortization	851	269
Provision / reversal of provision against non-performing advances - net	5,156	(5,786)
Provision for diminution / impairment in the value of investments	34,350	26,323
Reversal of provision against non-performing lending to financial institution	(2,822)	(4,500)
Unrealised loss on revaluation of 'held for trading' securities	-	-
Share in results of associates - net	(195,793)	(348,226)
Gain on sale of operating fixed assets	(1,219)	-
	<u>(154,537)</u>	<u>(328,628)</u>
	141,903	234,730
Decrease in operating assets		
Lendings to financial institutions	2,822	254,502
'Held-for-trading' securities	1,378	35,713
Advances	601,199	(42,871)
Others assets (excluding advance taxation)	(51,521)	(153,381)
	553,878	93,963
Increase in operating liabilities		
Borrowings from financial institutions	1,000,214	(55,062)
Deposits	864,923	115,327
Other liabilities (excluding current taxation)	13,454	17,488
	<u>1,878,591</u>	<u>77,753</u>
	2,574,372	406,446
Income tax paid	(11,691)	(45,676)
<i>Net cash inflow from operating activities</i>	<u>2,562,681</u>	<u>360,770</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in 'available-for-sale' securities / subsidiaries	(2,963,942)	(1,348,325)
Dividend income	(454)	5,082
Investments in operating fixed assets	(6,668)	(9,775)
Sale proceeds from sale of operating fixed assets	1,216	-
<i>Net cash (outflow) from investing activities</i>	<u>(2,969,848)</u>	<u>(1,353,018)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(360,000)
<i>Net cash (outflow) from financing activities</i>	<u>-</u>	<u>(360,000)</u>
<b>(Decrease) in cash and cash equivalents</b>	<u>(407,167)</u>	<u>(1,352,248)</u>
Cash and cash equivalents at beginning of the period	467,419	1,461,112
Cash and cash equivalents at end of the period	<u>60,252</u>	<u>108,864</u>

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

  
 Chief Financial Officer / Officiating Chief Executive

  
 Director

  
 Director

# Pakistan Kuwait Investment Company (Private) Limited

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

*For the three months period ended March 31, 2012*

### **1. STATUS AND NATURE OF BUSINESS**

- 1.1** Pakistan Kuwait Investment Company (Private) Limited ("the holding 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 holding company is a 50:50 joint venture between the Governments of Pakistan and Kuwait. The objective of the holding company is to profitably promote industrial investments in Pakistan.
- 1.2** The Group 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**

These consolidated 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 consolidated condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2011.

### **3. STATEMENT OF COMPLIANCE**

- 3.1** These consolidated condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 shall prevail. The disclosures in these accounts have, however, been limited based on the requirements of International Accounting Standard 34 Interim Financial Reporting
- 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(l)/ 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.

### **4. ACCOUNTING POLICIES**

The accounting policies adopted for the purpose of these consolidated condensed interim financial statements are the same as those applied in preparation of annual financial statements for the year ended December 31, 2011.

## 5. FINANCIAL RISK MANAGEMENT

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

## 6. INVESTMENTS

### 6.1 Investments by type

	March 31, 2012			December 31, 2011		
	(Un-audited)			(Audited)		
	Held by the Group	Given as collateral	Total	Held by the Group	Given as collateral	Total
------(Rupees in '000)-----						
<b>Available-for-sale securities</b>						
Market treasury bills	2,018,041	7,355,660	9,373,701	852,049	6,031,097	6,883,146
Pakistan Investment Bonds	907,799	733,116	1,640,915	1,640,304	-	1,640,304
Shares of listed companies	1,855,085	-	1,855,085	1,393,125	-	1,393,125
Shares of unlisted companies	136,985	-	136,985	125,155	-	125,155
Listed preference shares	93,399	-	93,399	93,399	-	93,399
Listed term finance certificates	116,186	-	116,186	121,109	-	121,109
Unlisted term finance certificates	608,398	-	608,398	608,398	-	608,398
	5,735,893	8,088,776	13,824,669	4,833,539	6,031,097	10,864,636
<b>Associates</b>	5,629,146	-	5,629,146	5,443,111	-	5,443,111
<b>Total investments</b>	11,365,039	8,088,776	19,453,815	10,276,650	6,031,097	16,307,747
Less: Provision for diminution / impairment in the value of investments	(261,914)	-	(261,914)	(230,587)	-	(230,587)
Total investments - net of provisions	11,103,125	8,088,776	19,191,901	10,046,063	6,031,097	16,077,160
Surplus / (deficit) on revaluation of 'available-for-sale' securities	78,351	(40,837)	37,514	(96,986)	(13,303)	(110,289)
<b>Total investments</b>	11,181,476	8,047,939	19,229,415	9,949,077	6,017,794	15,966,871

## 7. ADVANCES

	March 31, 2012	December 31, 2011
	(Un-audited)	(Audited)
(Rupees in '000)		
<b>In Pakistan</b>		
Advances	6,081,644	6,622,329
Net investment in finance leases	1,448,982	1,509,496
	7,530,626	8,131,825
Provision for non-performing advances	(1,582,946)	(1,577,790)
Advances - net of provision	5,947,680	6,554,035



- 7.1 Advances include Rs.1,712.907 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
	----- (Rupees in '000) -----				
Substandard	-	-	-	-	-
Doubtful	259,919	-	259,919	129,958	129,958
Loss	1,452,988	-	1,452,988	1,452,988	1,452,988
	<u>1,712,907</u>	<u>-</u>	<u>1,712,907</u>	<u>1,582,946</u>	<u>1,582,946</u>

7.2 Particulars of provision for non-performing advances - specific

	Note	March 31, 2012 (Un-audited) (Rupees in '000)	December 31, 2011 (Audited)
Opening balance		1,577,790	1,420,615
Charge for the period		13,372	270,662
Reversals		(8,216)	(113,487)
		5,156	157,175
Amounts written off against provisions		-	-
Closing balance		<u>1,582,946</u>	<u>1,577,790</u>

8. BORROWINGS FROM FINANCIAL INSTITUTIONS

		March 31, 2012 (Un-audited) (Rupees in '000)	December 31, 2011 (Audited)
<b>Secured</b>			
Repurchase agreement borrowings	8.1	8,053,811	6,025,238
Borrowing from SBP under LTF-EOP	8.2	102,443	116,044
Borrowing from SBP under LTFF	8.3	235,883	248,997
Borrowing from SBP under FFSAP	8.4	19,731	21,375
Long Term Finance	8.5	1,750,000	1,750,000
<b>Unsecured</b>			
Murabaha		-	1,000,000
		<u>10,161,868</u>	<u>9,161,654</u>

- 8.1 The holding company has arranged borrowings from various financial institutions against sale and repurchase of government securities. The mark-up on these finances ranges between 11.65 to 11.90 (December 31, 2011: 11.65 to 11.93) percent per annum with maturity of two days to sixteen 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 available to the holding company 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 8.20 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 holding company has availed Long Term Finance facilities from two banks. The interest rates on these facilities are 12.38 and 12.47 percent per annum (December 31, 2011: 12.35 and 12.47) with maturities on November 29, 2014 and January 1, 2015 (December 31, 2011: November 29, 2014 and January 1, 2015).

<b>9. DEPOSITS AND OTHER ACCOUNTS</b>	<b>Note</b>	<b>March 31, 2012 (Un-audited) (Rupees in '000)</b>	<b>December 31, 2011 (Audited)</b>
Certificates of investment (COIs) / deposits	<i>9.1</i>	<u>2,591,524</u>	<u>1,726,601</u>
		<u><b>2,591,524</b></u>	<u><b>1,726,601</b></u>

- 9.1** The profit rates on these COIs / deposits range between 11.40 and 13.75 (December 31, 2011: 11.40 and 13.90) percent per annum. The COIs / deposits are due for maturity between April 2, 2012 and March 22, 2015 (December 31, 2011: January 13, 2012 and March 22, 2015).

<b>10. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES-NET OF TAX</b>	<b>March 31, 2012 (Un-audited) (Rupees in '000)</b>	<b>December 31, 2011 (Audited)</b>
Federal government securities	<b>(75,456)</b>	(51,504)
Shares of listed companies	<b>111,950</b>	(58,976)
Listed term finance certificate	<b>982</b>	191
Share of surplus on revaluation held by associates	<u><b>185,259</b></u>	<u>194,997</u>
	<b>222,735</b>	84,708
Deferred Tax	<u><b>4,222</b></u>	<u>(21)</u>
	<u><b>226,957</b></u>	<u><b>84,687</b></u>

## **11. CONTINGENCIES AND COMMITMENTS**

### **11.1 Other contingencies**

The Income Tax Department has amended the deemed assessment orders for the tax years from 2004 to 2010, raising a tax demand of Rs. 1,856 million, mainly due to additions in respect of allocation of expenses against exempt capital gains and dividend income subject to tax at reduced rate.

The Additional Commissioner Inland Revenue (ACIR) has not accepted the holding company's contention on the matter of allocation of expenses on exempt capital gains and dividend income for the tax years 2004 to 2010. The total additions made in tax years 2004 to 2010 under this head amounts to Rs. 3,612 million.

In tax year 2003, the same issue has been set aside by the Appellate Tribunal Inland Revenue (ATIR), with direction to the tax authorities that the allocation of financial cost has to be made taking into account the 'cost of investment' rather than 'gross turnover'. Further, the holding company has made representation before Federal Board of Revenue for necessary clarification and has also referred the above matter to Alternate Dispute Resolution Committee (ADRC) a mechanism available to provide an opportunity to tax payers for an easy and efficient resolution of disputes.

Relying on the above decision of ATIR, the Commissioner Inland Revenue (Appeals)(CIR(A)) through his order dated September 23, 2011 for tax years 2004 to 2007 has set aside the issue for re-examination. The action was however maintained by the CIR(A) in the tax years 2008 and 2009 and appeals are currently pending before the ATIR.

The appeal for the tax year 2010 is still pending before the CIR(A). The holding company has already made provision of Rs. 723 million against the demand for the above-mentioned years based on cost of investment. The management is confident that the ultimate outcome of the appeal would be in favor of the holding company inter alia on the basis of the advice of the tax consultants and the relevant law and the facts.

### **11.2 Other commitments**

	<b>March 31, 2012 (Un-audited) (Rupees in '000)</b>	<b>December 31, 2011 (Audited)</b>
Commitment - acquisition of software	<b>9,096</b>	10,452
Undisbursed sanctions for financial assistance in the form of:		
- equity participation	-	-
- loans and advances	<u><b>107,586</b></u>	<u>417,000</u>
	<u><b>116,682</b></u>	<u><b>427,452</b></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>Three months period ended March 31, 2012 - (Un-audited)</b>						
Total income - gross	249,085	339,111	228	306,886	5,846	901,156
Total mark-up / return / interest expense	(60,148)	(338,344)	-	-	-	(398,492)
Segment provision / impairment / unrealised losses	(5,210)	2,821	-	(34,295)	-	(36,684)
	(65,358)	(335,523)	-	(34,295)	-	(435,176)
Net operating income / (loss)	183,727	3,588	228	272,591	5,846	465,980
Administrative expenses and other charges						(99,309)
Profit before taxation						366,671
<b>Three months period ended March 31, 2012 - (Un-audited)</b>						
Segment assets - net	6,977,474	10,839,772	-	6,834,661	1,580,705	26,232,612
Segment non-performing loans	1,712,907	-	-	-	-	1,712,907
Segment provision required and held	1,582,946	-	-	-	-	1,582,946
Segment liabilities	2,189,780	10,645,334	-	-	746,562	13,581,676
Segment return on net assets (ROA) % *	13.07%	11.99%	-	14.17%	1.27%	
Segment cost of funds (%) *	10.91%	11.73%	-	-	-	

\* Based on daily average assets and funds.

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
----- (Rupee in '000) -----						
<b>Three months period ended March 31, 2011 - (Un-audited)</b>						
Total income - gross	243,423	325,715	-	529,305	4,427	1,102,870
Total mark-up / return / interest expense	(39,388)	(336,111)	-	-	-	(375,499)
Segment provision / impairment / unrealised losses	5,865	4,500	-	(26,402)	-	(16,037)
	(33,523)	(331,611)	-	(26,402)	-	(391,536)
Net operating income	209,900	(5,896)	-	502,903	4,427	711,334
Administrative expenses and other charges						(94,469)
Profit before taxation						616,865
<b>Year ended December 31, 2011 - (Audited)</b>						
Segment assets - net	7,567,378	9,005,931	-	6,221,428	1,135,821	23,930,558
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	-	-	372,461	11,342,439
Segment return on net assets (ROA) %	15.28%	12.93%	-	21.07%	0.84%	-
Segment cost of funds (%)	10.48%	12.78%	-	-	-	-

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

### 13. RELATED PARTY TRANSACTIONS

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

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

	<b>Three months period ended March 31, 2012 (Un-audited) (Rupees in '000)</b>	Three months period ended March 31, 2011 (Un-audited) (Rupees in '000)
<b>Expenses charged to an associate</b>	<b>4,125</b>	3,934
<b>Expenses charged by</b>		
- associates	<b>331</b>	286
- other related party	<b>4,023</b>	4,008
<b>Dividend income from related parties</b>	<b>-</b>	8,448
<b>Mark-up earned on bank deposit with an associate</b>	<b>67</b>	199
<b>Mark-up earned on loans and advances</b>		
- key management personnel	<b>181</b>	266
<b>Mark-up expense on COIs of related parties</b>		
- associates	<b>1,546</b>	3,931
- other related party	<b>419</b>	76
<b>Contribution made to provident fund</b>	<b>4,111</b>	3,761
<b>Contribution made to gratuity fund</b>	<b>3,858</b>	8,546
	<b>March 31, 2012 (Un-audited) (Rupees in '000)</b>	December 31, 2011 (Audited) (Rupees in '000)
<b>Loans and advances to key management personnel</b>		
Balance as at January 1	<b>43,918</b>	47,223
Disbursement during the period / year	<b>-</b>	2,175
Recovery during the period / year	<b>(6,729)</b>	(5,480)
	<b>(6,729)</b>	(3,305)
<b>Balance as at</b>	<b>37,189</b>	43,918
<b>Bank balances with an associate</b>	<b>7,906</b>	2,194
<b>Mark-up receivable on bank deposit with an associate</b>	<b>15</b>	44
<b>Deposits / COIs from associate &amp; other related party</b>		
- associates	<b>50,000</b>	50,000
- other related party	<b>12,500</b>	12,500
<b>Mark-up payable to related party</b>		
- associates	<b>857</b>	2,650
- other related party	<b>1,722</b>	1,302
<b>Investments in</b>		
- quoted, at market values		
- associates	<b>5,629,146</b>	5,443,111
- other related parties	<b>500</b>	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. 14.708 million (March 31, 2011: Rs. 17.127 million) and staff retirement benefits amount to Rs. 2.043 million (March 31, 2011: Rs. 1.140 million).

#### **14. DATE OF AUTHORISATION FOR ISSUE**

These consolidated condensed interim financial statements were authorised for issue in the Board of Directors meeting held on May 12, 2012.

#### **15. GENERAL**

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

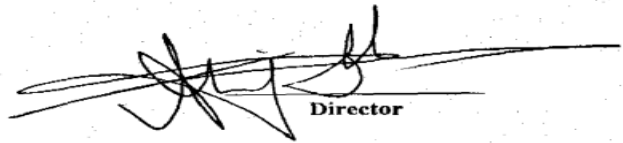
**15.2.** The JCR-VIS Credit Rating Company Limited has reaffirmed long term credit ratings of AAA (Triple A) and the short term rating of A1+ (A one plus) for the holding company. The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term entity rating to AAA (Triple A) and maintained the short term rating at A1+ (A one plus), the highest level.



**Chief Financial Officer / Officiating Chief Executive**



**Director**



**Director**