



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

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

For the Half Year ended June 30, 2015



KPMG Taseer Hadi & Co.
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Independent Auditors' Review Report to the Members of Pakistan Kuwait Investment Company (Private) Limited

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan Kuwait Investment Company (Private) Limited** ("the Company") as at June 30, 2015, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of the condensed 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 the condensed interim financial information based on our review.

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 condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other Matters

The figures for the quarter ended June 30, 2015 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Date: August 23, 2015

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Syed Iftikhar Anjum

Pakistan Kuwait Investment Company (Private) Limited

Condensed Interim Statement of Financial Position

As at June 30, 2015

	Note	June 30, 2015 (Un -Audited) (Rupees in '000)	December 31, 2014 (Audited)
ASSETS			
Cash and balances with treasury banks		66,379	53,667
Balances with other banks		21,674	20,335
Lendings to financial institutions	6	-	28,000
Investments	7	21,824,576	20,901,562
Advances	8	3,576,182	2,797,928
Operating fixed assets		178,480	188,609
Deferred tax assets		-	-
Other assets		766,064	644,072
		26,433,355	24,634,173
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	9	5,106,651	3,557,518
Deposits and other accounts	10	198,500	397,790
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		792,895	647,311
Other liabilities		377,309	415,874
		6,475,355	5,018,493
NET ASSETS		19,958,000	19,615,680
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		5,200,004	5,200,005
Unappropriated profit		7,601,819	7,312,036
		18,801,823	18,512,041
Surplus on revaluation of 'available-for-sale' securities - net of tax	11	1,156,177	1,103,639
		19,958,000	19,615,680
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.

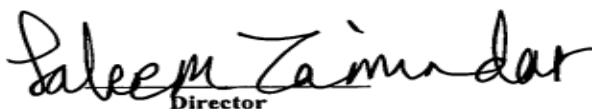
KPMG



Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director



Chief Executive

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Profit and Loss Account - (Un-audited)
For the half year ended June 30, 2015

	Quarter ended June 30, 2015	Half year ended June 30, 2015	Quarter ended June 30, 2014	Half year ended June 30, 2014
-----Rupees in '000-----				
Mark-up / return / interest earned	290,217	601,641	372,280	741,583
Mark-up / return / interest expensed	88,925	179,083	180,020	343,881
Net mark-up / interest income	201,292	422,558	192,260	397,702
(Reversal of provision) against non-performing loans and advances - net	(6,843)	(22,943)	(8,483)	(17,102)
Provision / (reversal of provision) for diminution / impairment in the value of investments	113,925	113,925	(85)	(616)
Bad debts written off directly	-	-	-	-
Net mark-up / interest income after provisions	107,082	90,982	(8,568)	(17,718)
	94,210	331,576	200,828	415,420
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	10,315	10,459	412	1,162
Dividend income	56,235	176,078	50,964	122,125
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities	81,502	194,084	105,543	302,950
Unrealised gain / (loss) on revaluation of 'held-for-trading' securities	118	212	(1,441)	(2,947)
Share in results of associates - net	615,876	857,622	571,610	1,032,938
Other income	6,531	12,731	8,030	14,622
Total non mark-up / interest income	770,577	1,251,186	735,118	1,470,850
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	137,935	248,086	83,873	226,992
Other charges	30	30	-	-
Total non mark-up / interest expenses	137,965	248,116	83,873	226,992
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	726,822	1,334,646	852,073	1,659,278
Taxation				
- Current	90,128	203,875	88,401	180,107
- Prior years	-	-	-	-
- Deferred	263,004	234,398	38,386	74,422
	353,132	438,273	126,787	254,529
PROFIT AFTER TAXATION	373,690	896,373	725,286	1,404,749
-----Rupees-----				
Basic and diluted earning per share (On share of Rs. 25,000 each)	1,557	3,735	3,022	5,853

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.

KPMG



Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director



Chief Executive

Pakistan Kuwait Investment Company (Private) Limited
 Condensed Interim Statement of Comprehensive Income (Un-audited)
 For the half year ended June 30, 2015


Note	Quarter ended	Half year ended	Quarter ended	Half year ended
	June 30, 2015		June 30, 2014	
	----- (Rupees in '000) -----			
Profit for the period	373,690	896,373	725,286	1,404,749
Other comprehensive income				
Not to be reclassified to profit and loss account in subsequent periods				
Remeasurement of defined benefit plan	(6,590)	(6,590)	-	-
Comprehensive income transferred to equity	367,100	889,783	725,286	1,404,749
Component of comprehensive income not transferred to equity				
Share of (deficit) / surplus on revaluation of 'available for sale securities' of associates	7.2 (64,970)	(205,860)	247,063	488,193
Deferred tax on revaluation of 'available for sale securities' of associates	6,328	21,224	(23,761)	(48,177)
Surplus / (deficit) on revaluation of 'available for sale' securities	368,605	170,303	(73,302)	(95,190)
Deferred tax on (deficit) / surplus on revaluation of 'available-for-sale' securities	(33,498)	66,871	11,558	(17,701)
Total comprehensive income for the period	643,565	942,321	886,844	1,731,874

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.

KPMG


 Deputy General Manager / Chief Financial Officer


 Chief Executive


 Director


 Director


 Chief Executive

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Statement of Changes in Equity - (Un-audited)
For the half year ended June 30, 2015

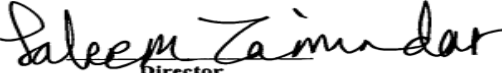
	Share Capital	Reserve Statutory	Non-distributable Reserve	Capital Market Equalization Reserve	Unappropriated profit	Total
------(Rupees in '000)-----						
Balance as at January 01, 2014	6,000,000	3,553,438	-	-	6,126,502	15,679,940
Profit for the half year ended June 30, 2014	-	-	-	-	1,404,749	1,404,749
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,404,749	1,404,749
Transactions with the owners of the Company						
Dividend for the year ended December 31, 2013 @ Rs. 2,812.5 per share approved subsequent to year end	-	-	-	-	(675,000)	(675,000)
Balance as at June 30, 2014	6,000,000	3,553,438	-	-	6,856,251	16,409,689
Balance as at January 01, 2015	6,000,000	4,088,974	843,263	267,768	7,312,036	18,512,041
Profit for the half year ended June 30, 2015	-	-	-	-	896,373	896,373
Other comprehensive income	-	-	-	-	(6,590)	(6,590)
Total comprehensive income	-	-	-	-	889,783	889,783
Transactions with the owners of the Company						
Dividend for the year ended December 31, 2014 @ Rs. 2,500 per share approved subsequent to year end	-	-	-	-	(600,000)	(600,000)
Balance as at June 30, 2015	6,000,000	4,088,974	843,263	267,768	7,601,819	18,801,824

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.

KPMG


Deputy General Manager / Chief Financial Officer


Chief Executive


Director


Director


Chief Executive

Pakistan Kuwait Investment Company (Private) Limited

Condensed Interim Cash Flow Statement (Un-audited)

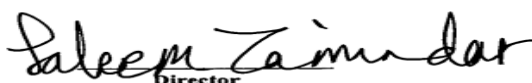
For the half year ended June 30, 2015

	June 30, 2015	June 30, 2014
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,334,646	1,659,278
Less: Dividend income	<u>176,078</u>	<u>122,125</u>
	1,158,568	1,537,153
Adjustments for:		
Depreciation	4,446	5,951
Amortization	6,489	6,372
Reversal of provision against non-performing loans and advances - net	(22,943)	(17,102)
Provision / (reversal of provision) for diminution / impairment in the value of investments	113,925	(616)
Unrealised (gain) / loss on revaluation of 'held for trading' securities	(212)	2,947
Share in results of associates - net	(857,622)	(1,032,938)
Gain on disposal of operating fixed assets	(550)	(1,927)
	<u>(756,467)</u>	<u>(1,037,313)</u>
	402,101	499,840
(Increase) / Decrease in operating assets		
Lendings to financial institutions	28,000	5,669,796
'Held-for-trading' securities	(7,360)	(96,563)
Advances	(755,311)	(232,580)
Others assets (excluding advance taxation)	(14,753)	(278,413)
	<u>(749,424)</u>	<u>5,062,240</u>
Increase in operating liabilities		
Borrowings from financial institutions	1,549,133	1,015,641
Deposits and other accounts	(199,290)	52,563
Other liabilities (excluding current taxation)	(38,565)	113,763
	<u>1,311,278</u>	<u>1,181,967</u>
	963,955	6,744,047
Income tax paid	(293,282)	(46,208)
<i>Net cash inflow from operating activities</i>	<u>670,673</u>	<u>6,697,839</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in 'available-for-sale' securities	(602,615)	(6,247,917)
Net investment in associates	-	(33,506)
Net investment in 'held-to-maturity' securities	(8,424)	(7,448)
Dividend income received	554,673	271,075
Investments in operating fixed assets	(2,315)	(3,576)
Sale proceeds of operating fixed assets	2,059	1,927
<i>Net cash (outflow) from investing activities</i>	<u>(56,622)</u>	<u>(6,019,445)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(600,000)	(675,000)
<i>Net cash used in financing activities</i>	<u>(600,000)</u>	<u>(675,000)</u>
Increase in cash and cash equivalents	14,051	3,394
Cash and cash equivalents at beginning of the period	74,002	58,356
Cash and cash equivalents at end of the period	<u>88,053</u>	<u>61,750</u>

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.


Deputy General Manager / Chief Financial Officer


Chief Executive


Director


Director


Chief Executive

Pakistan Kuwait Investment Company (Private) Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2015

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 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.

2. BASIS OF PRESENTATION

The condensed interim financial information has 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 condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2014.

3. STATEMENT OF COMPLIANCE

3.1 The condensed interim financial information has 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 where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 and directives issued by the SBP have been followed.

3.2 The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 39 'Financial Instruments: Recognition and Measurement' and IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Further, SECP has deferred the implementation of IFRS 7 'Financial Instruments: Disclosures' through SRO 411(1)/ 2008. Accordingly, the requirements of these International Financial Reporting Standards (IFRSs) and their respective interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), have not been considered in preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

4. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial information are consistent with those applied in preparation of financial statements for the year ended December 31, 2014. Standards which became effective during the period and related to financial statements of the Company had no impact in the current period financial statements.

IFRS 10 'Consolidated Financial Statements,' IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IFRS 13 'Fair Value Measurements' became applicable from January 1, 2015, as notified by SECP.

IFRS 10 replaces the current guidance on consolidation in IAS 27 Consolidated and Separate Financial Statements. It introduces a single model of assessing control whereby an investor controls an investee when it has the power, exposure to variable returns and the ability to use its power to influence the returns of the investee. IFRS 10 also includes specific guidance on de facto control, protective rights and the determination of whether a decision maker is acting as principal or agent, all of which influence the assessment of control. The application of IFRS 10 did not result in any of the companies being identified as controlled by the Company.

IFRS 11 replaces IAS 31 Interests in Joint Ventures. It requires all joint ventures to be equity accounted thereby removing the option in IAS 31 for proportionate consolidation. It also removes the IAS 31 concept of jointly controlled assets. The Company does not have any interest in joint venture.

IFRS 12 prescribes additional disclosures around significant judgements and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosures on the nature and risks associated with interests in unconsolidated structured entities. The Company will present the disclosures required by IFRS 12 in its financial statements for the year ending December 31, 2015.

IFRS 13 Fair Value Measurement, which consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have a material impact on the financial statements of the Company.

5. FINANCIAL RISK MANAGEMENT / JUDGEMENTS AND ESTIMATES

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, 2014.

In preparing this interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the financial statements as at and for the year ended December 31, 2014.

	June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	(Rupees in '000)	
6. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	-	-
Letter of placement	-	28,000
	-	<u>28,000</u>

7. INVESTMENTS

7.1 Investments by type

Note	June 30, 2015 (Un-audited)			December 31, 2014 (Audited)		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
	----- (Rupees in '000) -----					
	Held for trading securities					
	Shares of listed companies					
	7,360	-	7,360	-	-	-
	Available for sale securities					
	Market treasury bills					
	488,143	-	488,143	481,827	-	481,827
	Pakistan investment bonds					
	5,868,361	-	5,868,361	5,238,122	613,310	5,851,432
	Shares of listed companies					
	2,887,738	-	2,887,738	2,790,722	-	2,790,722
	Shares of unlisted companies					
	110,226	-	110,226	110,226	-	110,226
	Listed preference shares					
	55,029	-	55,029	55,029	-	55,029
	Listed sukuk					
	418,060	-	418,060	236,375	-	236,375
	Unlisted term finance certificates					
7.5	907,593	-	907,593	617,562	-	617,562
	<u>10,735,150</u>	-	<u>10,735,150</u>	9,529,863	613,310	10,143,173
	Held to maturity securities					
	Unlisted Preference Shares					
	134,150	-	134,150	125,726	-	125,726
	Associates					
7.2	9,967,375	-	9,967,375	9,832,324	-	9,832,324
	<u>20,844,035</u>	-	<u>20,844,035</u>	19,487,913	613,310	20,101,223
	Provision for diminution / impairment in the value of investments					
	(145,335)	-	(145,335)	(155,022)	-	(155,022)
	Total investments - net of provisions					
	<u>20,698,700</u>	-	<u>20,698,700</u>	19,332,891	613,310	19,946,201
	Surplus on revaluation of 'held for trading' securities					
	212	-	212	-	-	-
	Surplus on revaluation of 'available for sale' securities					
	1,125,664	-	1,125,664	932,912	22,449	955,361
	<u>21,824,576</u>	-	<u>21,824,576</u>	20,265,803	635,759	20,901,562

	Half year ended June 30, 2015 (Un-audited)	Half year ended June 30, 2014 (Un-audited)
	(Rupees in '000)	

7.2 Movement in investments in associates

Investments at beginning of the period	9,832,324	7,354,069
Disposal of investment in associates	-	(65,478)
Investment in associates	-	98,984
Share in (deficit) / surplus on revaluation / reserves of associates	(205,860)	488,193
Share in remeasurement of defined benefits plans of associates -net of deferred tax	(6,590)	-
Share of profit from associates recognized in income statement	857,622	1,032,938
Provision of an associate	(113,757)	-
Dividends received from associates	(396,364)	(150,411)
Investments at end of period	<u>9,967,375</u>	<u>8,758,295</u>

7.3 For equity accounting purposes, the financial information of associates, except for two mutual funds are taken as of March 31, 2015, being the latest available financial information. For mutual funds, financial information as at June 30, 2015 have been used. However, results of associates have been adjusted to the effects of significant transactions if any, that occurred between the date of investee's financial statements till the date of the Company's financial statements.

7.4 The cost of investment in associates as at June 30, 2015 amounted to Rs. 1,979 million (December 31, 2014: Rs 2,093 million). Share in results of associates recorded under equity method of accounting net of dividend, capital gain and income taxes amounted to Rs 282 million (June 30, 2014: 739 million).

7.5 Unlisted term finance certificates (TFCs) include TFCs from a bank amounting Rs. 300 million which are in the process of listing on Karachi Stock Exchange as at June 30, 2015.

	June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	(Rupees in '000)	
8. ADVANCES		
In Pakistan		
Advances	3,905,340	3,467,870
Net investment in finance leases	1,212,506	894,665
	<u>5,117,846</u>	<u>4,362,535</u>
Provision for non-performing advances	8.2	(1,564,607)
Advances - net of provision	<u>3,576,182</u>	<u>2,797,928</u>

- 8.1 Advances include Rs.1,671.598 million (December 31, 2014: Rs 1,695.364 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	259,866	-	259,866	129,932	129,932
Loss	1,411,732	-	1,411,732	1,411,732	1,411,732
	<u>1,671,598</u>	<u>-</u>	<u>1,671,598</u>	<u>1,541,664</u>	<u>1,541,664</u>

8.2 Particulars of provision for non-performing advances - specific	Note	Half year ended June 30, 2015 (Un-audited) (Rupees in '000)	Year ended December 31, 2014 (Audited)
Opening balance		1,564,607	1,733,766
Charge for the period / year		-	-
Reversals for the period / year		(22,943)	(169,159)
		(22,943)	(169,159)
Amounts written off against provisions		-	-
Closing balance		<u>1,541,664</u>	<u>1,564,607</u>

9. BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured

		June 30, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Repurchase agreement borrowings - Government securities		-	620,170
Borrowing from SBP			
Under Long Term Facility - Export Oriented Project (LTF-EOP)	9.1	17,493	28,311
Under Long Term Finance Facility - (LTFF)	9.2	369,484	147,719
Under Finance Facility for Storage of Agricultural Produce (FFSAP)	9.3	9,674	11,318
Term Finance Facility	9.4	2,250,000	2,750,000

Unsecured

Murabaha	9.5	2,460,000	-
		<u>5,106,651</u>	<u>3,557,518</u>

- 9.1 In order to facilitate the export oriented projects, SBP has introduced a scheme to refinance the fixed term loan availed from Banks / DFIs. A one time swap facility option under the Scheme (LTF-EOP) has been extended to textile sector for import of plant and machinery, allowed by the SBP through their SMED Circular No.19 of 2006. The loan is repayable over a maximum period of 7.5 years from the date of first disbursement with mark-up payable at maximum of 5 percent per annum. The sanctioned limit was Rs. 1,000 million.

- 9.2 This represents Long Term Finance Facility (LTFF) on concessional rates to promote industrial growth leading to exports. The loans availed under the facility shall be repayable within a maximum period of ten years including maximum grace period of one and a half years with mark-up payable at maximum of 10.10 percent per annum. SBP allocates an overall yearly limit under the facility to individual Participating Financial Institution (PFI). The sanctioned limit was Rs. 300 million.

- 9.3** 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.
- 9.4** The Company has availed Long Term Finance facilities from two banks. The interest rates on these facilities range from 7.32 to 8.54 percent per annum (December 31, 2014: 10.14 and 10.73 percent per annum) with maturities between September 11, 2015 and June 25, 2018 (December 31, 2014: September 11, 2015 and June 25, 2018).
- 9.5** This represents finance obtained from an Islamic bank. The profit rates on the finance ranges between 6.50 and 6.95 percent per annum with maturities between July 02, 2015 to September 25, 2015.

10. DEPOSITS AND OTHER ACCOUNTS	Note	June 30, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Certificates of investment (COIs) / deposits	<i>10.1</i>	<u><u>198,500</u></u>	<u><u>397,790</u></u>

- 10.1** The profit rates on these COIs / deposits range between 6.90 and 8.25 (December 31, 2014: 9.25 and 12.25) percent per annum. The COIs / deposits are due for maturity between November 27, 2015 and June 24, 2016 (December 31, 2014: February 09, 2015 and June 26, 2015).

11. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES - NET OF TAX	June 30, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Federal government securities	357,222	256,560
Shares of listed companies	756,602	686,991
Listed sukuk	11,840	11,810
Share of surplus on revaluation held by associates	<u>175,939</u>	<u>381,799</u>
	<u>1,301,603</u>	<u>1,337,160</u>
Deferred Tax	<u>(145,426)</u>	<u>(233,521)</u>
	<u><u>1,156,177</u></u>	<u><u>1,103,639</u></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, 2014.

12.2 Other commitments

12.2 Other commitments	June 30, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Undisbursed sanctions for financial assistance in the form of loans and advances	<u>2,503,928</u>	<u>859,482</u>
	<u><u>2,503,928</u></u>	<u><u>859,482</u></u>

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) -----						
Half year ended June 30, 2015 - (Un-audited)						
Total income - gross	225,029	372,101	-	1,241,596	13,889	1,852,615
Total mark-up / return / interest expense	(129,008)	(50,075)	-	-	-	(179,083)
Segment provision / impairment / unrealised gain / losses	(90,814)	-	-	44	-	(90,770)
	(219,822)	(50,075)	-	44	-	(269,853)
Net operating income	5,207	322,026	-	1,241,640	13,889	1,582,762
Administrative expenses and other charges						(248,116)
Profit before taxation						1,334,646

Half year ended June 30, 2015 - (Un-audited)

Segment assets - net	5,869,305	7,091,122	-	12,731,427	741,501	26,433,355
Segment non-performing loans	1,671,598	-	-	-	-	1,671,598
Segment provision required and held	1,541,664	-	-	-	-	1,541,664
Segment liabilities	2,735,897	2,667,264	-	314	1,071,880	6,475,355
Segment return on net assets (ROA) % *	9.45%	10.58%	-	19.06%	3.72%	-
Segment cost of funds (%) *	8.73%	7.72%	-	-	-	-

* Based on daily average assets and funds. Return / cost has been annualized for rates.

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
----- (Rupees in '000) -----						
Half year ended June 30, 2014 - (Un-audited)						
Total income - gross	323,659	419,255	1,162	1,457,015	14,289	2,215,380
Total mark-up / return / interest expense	(253,975)	(89,906)	-	-	-	(343,881)
Segment provision / impairment / unrealised losses	17,718	-	-	(2,947)	-	14,771
	(236,257)	(89,906)	-	(2,947)	-	(329,110)
Net operating income	87,402	329,349	1,162	1,454,068	14,289	1,886,270
Administrative expenses and other charges						(226,992)
Profit before taxation						1,659,278

Half year ended June 30, 2014 - (Un-audited)

Segment assets - net	5,002,424	6,913,399	-	12,158,147	596,474	24,670,444
Segment non-performing loans	1,974,473	-	-	-	-	1,974,473
Segment provision required and held	1,716,664	-	-	-	-	1,716,664
Segment liabilities	4,881,692	1,728,816	-	-	733,957	7,344,465
Segment return on net assets (ROA) %	10.60%	10.77%	-	39.66%	4.79%	-
Segment cost of funds (%)	10.14%	9.94%	-	-	-	-

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

14. RELATED PARTY TRANSACTIONS

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

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

	Half year ended June 30, 2015 (Un-audited) (Rupees in '000)	Half year ended June 30, 2014 (Un-audited)
Expenses charged to :		
- associates	10,360	10,625
- other related party	140	115
Expenses charged by:		
- associates	387	469
- other related party	11,331	8,445
Dividend income from associates	396,364	150,411
Mark-up earned on bank deposit with an associate	236	265
Mark-up earned on loans and advances:		
- key management personnel	190	322
Mark-up expense on COIs of a related party:		
- other related party	124	152
Sale of shares of associate	-	1,000
Contribution made to provident fund	9,196	8,428
	June 30, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Loans and advances to key management personnel		
Balance as at January 1	24,004	28,907
Addition during the period / year	1,294	828
Disbursement during the period / year	2,496	4,571
Recovery during the period / year	(3,097)	(10,302)
Balance as at	693	(4,903)
	24,697	24,004
Bank balances with an associate	8,174	17,857
Mark-up receivable on bank deposit with an associate	30	69
Deposits / COIs from:		
- other related party	2,500	2,500
Mark-up payable to :		
- other related party	57	1,465
Investments in:		
- associates	9,967,375	9,832,324
- other related party	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. 49.133 million (June 30, 2014: Rs. 51.877 million) and staff retirement benefits amount to Rs. 6.160 million (June 30, 2014: Rs. 5.554 million).

15. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue in the Board of Directors meeting held on August 23, 2015.

16. GENERAL

16.1. The Pakistan Credit Rating Agency (PACRA) has maintained the long-term entity rating of AAA (Triple A) and the short term rating at A1+ (A one plus), the highest level.

16.2. The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

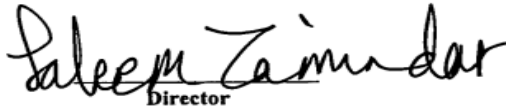
KPMG



Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director



Chief Executive