



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

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

**For the nine months period ended September 30, 2015**

# Pakistan Kuwait Investment Company (Private) Limited

## Condensed Interim Statement of Financial Position

As at September 30, 2015

	Note	September 30, 2015 (Un -Audited) (Rupees in '000)	December 31, 2014 (Audited)
<b>ASSETS</b>			
Cash and balances with treasury banks		51,661	53,667
Balances with other banks		10,871	20,335
Lendings to financial institutions		-	28,000
Investments	6	21,910,131	20,901,562
Advances	7	4,792,133	2,797,928
Operating fixed assets		173,603	188,609
Deferred tax assets		-	-
Other assets		786,694	644,072
		<b>27,725,093</b>	<b>24,634,173</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings from financial institutions	8	5,937,648	3,557,518
Deposits and other accounts	9	198,500	397,790
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		890,146	647,311
Other liabilities		447,812	415,874
		<b>7,474,106</b>	<b>5,018,493</b>
<b>NET ASSETS</b>		<b>20,250,987</b>	<b>19,615,680</b>
<b>REPRESENTED BY</b>			
Share capital		6,000,000	6,000,000
Reserves		5,200,005	5,200,005
Unappropriated profit		7,958,310	7,312,036
		<b>19,158,315</b>	<b>18,512,041</b>
Surplus on revaluation of 'available-for-sale' securities - net of tax	10	1,092,672	1,103,639
		<b>20,250,987</b>	<b>19,615,680</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

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

  
Deputy General manager / Chief Financial Officer

  
Chief Executive

  
Director

  
Chief Executive

  
Director

Pakistan Kuwait Investment Company (Private) Limited

Condensed Interim Profit and Loss Account - (Un-audited)

For the nine months period ended September 30, 2015

	Quarter ended	Nine months period ended	Quarter ended	Nine months period ended
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
	-----Rupees in '000)-----			
Mark-up / return / interest earned	311,038	912,679	331,990	1,073,572
Mark-up / return / interest expensed	93,389	272,472	156,805	500,686
Net mark-up / interest income	<u>217,649</u>	<u>640,207</u>	175,185	572,886
(Reversal of provision) against non-performing loans and advances - net	(14,488)	(37,431)	(145,214)	(162,317)
Provision / (reversal of provision) for diminution / impairment in the value of investments	303,568	417,493	320	(296)
Bad debts written off directly	-	-	-	-
Net mark-up / interest income after provisions	<u>289,080</u>	<u>380,062</u>	(144,894)	(162,613)
	(71,431)	260,145	320,079	735,499
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	2,587	13,046	-	1,162
Dividend income	58,786	234,864	64,551	186,677
Income from dealing in foreign currencies	-	-	-	-
(Loss) / gain on sale of securities	(5,049)	189,035	19,740	322,690
Unrealised (loss) / gain on revaluation of held-for-trading securities	(1,066)	(854)	2,968	21
Share in results of associates - net	645,200	1,502,822	711,670	1,744,608
Other income	6,180	18,911	9,920	24,541
Total non mark-up / interest income	<u>706,638</u>	<u>1,957,824</u>	808,849	2,279,699
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	142,329	390,415	176,687	403,679
Other charges	-	30	-	-
Total non mark-up / interest expenses	<u>142,329</u>	<u>390,445</u>	176,687	403,679
Extra ordinary / unusual items	-	-	-	-
<b>PROFIT BEFORE TAXATION</b>	<u>492,878</u>	<u>1,827,524</u>	952,241	2,611,519
Taxation				
- Current	140,628	344,503	89,603	269,710
- Prior years	-	-	-	-
- Deferred	(4,241)	230,157	68,006	142,428
	<u>136,387</u>	<u>574,660</u>	157,609	412,138
<b>PROFIT AFTER TAXATION</b>	<u>356,491</u>	<u>1,252,864</u>	794,632	2,199,381
	-----Rupees-----			
<b>Basic and diluted earning per share (On share of Rs. 25,000 each)</b>	<u>1,485</u>	<u>5,220</u>	3,311	9,164

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

  
Deputy General manager / Chief Financial Officer

  
Chief Executive

  
Director

   
Chief Executive Director

Pakistan Kuwait Investment Company (Private) Limited  
 Condensed Interim Statement of Comprehensive Income (Un-audited)  
 For the nine months period ended September 30, 2015

	Note	Quarter	Nine months	Quarter	Nine months
		ended	period ended	ended	period ended
		September 30, 2015		September 30, 2014	
----- (Rupees in '000) -----					
Profit for the period		356,491	1,252,864	794,632	2,199,381
<b>Other comprehensive income</b>					
<b>Not to be reclassified to profit and loss account in subsequent periods</b>					
Remeasurement of defined benefit plan		-	(6,590)	-	-
<b>Comprehensive income transferred to equity</b>		<b>356,491</b>	<b>1,246,274</b>	<b>794,632</b>	<b>2,199,381</b>
<b>Component of comprehensive income not transferred to equity</b>					
Share of surplus / (deficit) on revaluation of 'available for sale securities' of associates	6.2	78,202	(127,658)	(6,445)	481,748
Deferred tax on revaluation of 'available for sale securities' of associates		(14,790)	6,435	645	(47,532)
(Deficit) / surplus on revaluation of 'available for sale' securities		(40,215)	130,088	110,992	15,802
Deferred tax on surplus / (deficit) on revaluation of 'available-for-sale' securities		(86,702)	(19,831)	(55,737)	(73,438)
<b>Total comprehensive income for the period</b>		<b>292,986</b>	<b>1,235,308</b>	<b>844,087</b>	<b>2,575,961</b>

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Pakistan Kuwait Investment Company (Private) Limited  
Condensed Interim Statement of Changes in Equity - (Un-audited)  
For the nine months period ended September 30, 2015

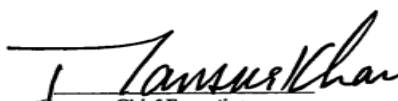
	Share Capital	Reserve Statutory	Non-distributable Reserve	Capital Market Equalization Reserve	Unappropriated profit	Total
------(Rupees in '000)-----						
Balance as at January 01, 2014	6,000,000	3,553,438	-	-	6,126,502	15,679,940
Profit for the nine months period ended September 30, 2014	-	-	-	-	2,199,381	2,199,381
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	2,199,381	2,199,381
<b>Transactions with the owners of the Company</b>						
Dividend for the year ended December 31, 2013 @ Rs. 2,812.5 per share approved subsequent to year end	-	-	-	-	(675,000)	(675,000)
<b>Balance as at September 30, 2014</b>	<b>6,000,000</b>	<b>3,553,438</b>	<b>-</b>	<b>-</b>	<b>7,650,883</b>	<b>17,204,321</b>
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 nine months period ended September 30, 2015	-	-	-	-	1,252,864	1,252,864
Other comprehensive income	-	-	-	-	(6,590)	(6,590)
Total comprehensive income	-	-	-	-	1,246,274	1,246,274
<b>Transactions with the owners of the Company</b>						
Dividend for the year ended December 31, 2014 @ Rs. 2,500 per share approved subsequent to year end	-	-	-	-	(600,000)	(600,000)
<b>Balance as at September 30, 2015</b>	<b>6,000,000</b>	<b>4,088,974</b>	<b>843,263</b>	<b>267,768</b>	<b>7,958,310</b>	<b>19,158,315</b>

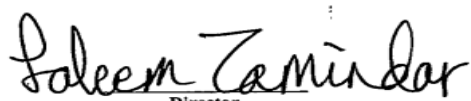
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Chief Executive

  
Director

  
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Pakistan Kuwait Investment Company (Private) Limited  
Condensed Interim Cash Flow Statement (Un-audited)  
For the nine months period ended September 30, 2015

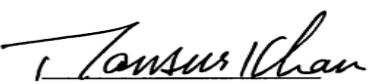
	September 30, 2015	September 30, 2014
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,827,524	2,611,519
Less: Dividend income	234,864	186,677
	<u>1,592,660</u>	<u>2,424,842</u>
Adjustments for:		
Depreciation	6,638	8,635
Amortization	9,549	9,608
Reversal of provision against non-performing loans and advances - net	(37,431)	(162,317)
Provision / (reversal of provision) for diminution / impairment in the value of investments	417,493	(296)
Unrealised loss / (gain) on revaluation of 'held for trading' securities	855	(21)
Share in results of associates - net	(1,502,822)	(1,744,608)
Gain on disposal of operating fixed assets	(645)	(1,946)
	<u>(1,106,363)</u>	<u>(1,890,945)</u>
	486,297	533,897
(Increase) / Decrease in operating assets		
Lendings to financial institutions	28,000	5,824,062
'Held-for-trading' securities	(24,084)	(1,696)
Advances	(1,956,774)	291,482
Others assets (excluding advance taxation)	88,869	(173,694)
	<u>(1,863,989)</u>	<u>5,940,154</u>
Increase / (Decrease) in operating liabilities		
Borrowings from financial institutions	2,380,130	(183,727)
Deposits and other accounts	(199,290)	37,324
Other liabilities (excluding current taxation)	31,938	19,651
	<u>2,212,778</u>	<u>(126,752)</u>
	835,086	6,347,299
Income tax paid	(399,019)	(129,731)
<i>Net cash inflow from operating activities</i>	<u>436,067</u>	<u>6,217,568</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in 'available-for-sale' securities	(940,351)	(6,247,616)
Net investment in associates	-	(33,506)
Net investment in 'held-to-maturity' securities	(12,920)	(11,352)
Dividend income received	1,106,271	766,190
Investments in operating fixed assets	(2,691)	(4,273)
Sale proceeds of operating fixed assets	2,154	1,927
<i>Net cash inflow / (outflow) from investing activities</i>	<u>152,463</u>	<u>(5,528,630)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(600,000)	(675,000)
<i>Net cash used in financing activities</i>	<u>(600,000)</u>	<u>(675,000)</u>
<b>Increase in cash and cash equivalents</b>	<u>(11,470)</u>	<u>13,938</u>
Cash and cash equivalents at beginning of the period	74,002	58,356
Cash and cash equivalents at end of the period	<u>62,532</u>	<u>72,294</u>


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Deputy General Manager / Chief Financial Officer

  
Chief Executive

  
Director

  
Chief Executive

  
Director

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

## 6. INVESTMENTS

### 6.1 Investments by type

	September 30, 2015			December 31, 2014		
	(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	24,084	-	24,084	-	-	-
<b>Available for sale securities</b>						
Market treasury bills	496,284	-	496,284	481,827	-	481,827
Pakistan investment bonds	4,636,750	1,240,786	5,877,536	5,238,122	613,310	5,851,432
Shares of listed companies	3,068,579	-	3,068,579	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 term finance certificates	439,580	-	439,580	-	-	-
Listed sukuk	418,060	-	418,060	236,375	-	236,375
Unlisted term finance certificates	607,593	-	607,593	617,562	-	617,562
	9,832,101	1,240,786	11,072,887	9,529,863	613,310	10,143,173
<b>Held to maturity securities</b>						
Unlisted Preference Shares	138,646	-	138,646	125,726	-	125,726
<b>Associates</b>	6.2					
	10,030,717	-	10,030,717	9,832,324	-	9,832,324
	20,025,548	1,240,786	21,266,334	19,487,913	613,310	20,101,223
Provision for diminution / impairment in the value of investments	(440,799)	-	(440,799)	(155,022)	-	(155,022)
Total investments - net of provisions	19,584,749	1,240,786	20,825,535	19,332,891	613,310	19,946,201
Surplus on revaluation of 'held for trading' securities	(854)	-	(854)	-	-	-
Surplus on revaluation of 'available for sale' securities	1,033,471	51,979	1,085,450	932,912	22,449	955,361
<b>Total investments</b>	20,617,366	1,292,765	21,910,131	20,265,803	635,759	20,901,562

	Nine months period ended September 30, 2015 (Un-audited) (Rupees in '000)	Nine months period ended September 30, 2014 (Un-audited)
<b>6.2 Movement in investments in associates</b>		
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	(127,658)	481,748
Share in remeasurement of defined benefits plans of associates -net of deferred tax	(6,590)	-
Share of profit from associates recognized in income statement	1,502,822	1,744,608
Provision of an associate	(121,863)	-
Dividends received from associates	(1,048,318)	(718,196)
Investments at end of period	10,030,717	8,895,735

6.3 For equity accounting purposes, the financial information of associates, except for two mutual funds are taken as of June 30, 2015, being the latest available financial information. For mutual funds, financial information as at September 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.

6.4 The cost of investment in associates as at June 30, 2015 amounted to Rs. 1,971 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 270 million (September 30, 2014: 857 million).

	September 30, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
<b>7. ADVANCES</b>		
<b>In Pakistan</b>		
Advances	5,172,357	3,467,870
Net investment in finance leases	1,146,952	894,665
	6,319,309	4,362,535
Provision for non-performing advances	7.2	(1,527,176)
Advances - net of provision	4,792,133	2,797,928



- 7.1 Advances include Rs.1,648.662 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	242,971	-	242,971	121,485	121,485
Loss	1,405,691	-	1,405,691	1,405,691	1,405,691
	<u>1,648,662</u>	<u>-</u>	<u>1,648,662</u>	<u>1,527,176</u>	<u>1,527,176</u>

7.2 Particulars of provision for non-performing advances - specific	Period ended September 30, 2015 (Un-audited) (Rupees in '000)	Year ended December 31, 2014 (Audited) (Rupees in '000)
Opening balance	1,564,607	1,733,766
Charge for the period / year	-	-
Reversals for the period / year	(37,431)	(169,159)
Amounts written off against provisions	-	-
Closing balance	<u>1,527,176</u>	<u>1,564,607</u>

## 8. BORROWINGS FROM FINANCIAL INSTITUTIONS

### Secured

	September 30, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited) (Rupees in '000)
Repurchase agreement borrowings - Government securities	1,249,373	620,170
Borrowing from SBP		
Under Long Term Facility - Export Oriented Project (LTF-EOP)	10,003	28,311
Under Long Term Finance Facility - (LTFF)	407,242	147,719
Under Finance Facility for Storage of Agricultural Produce (FFSAP)	8,030	11,318
Term Finance Facility	1,250,000	2,750,000

### Unsecured

Murabaha	3,013,000	-
	<u>5,937,648</u>	<u>3,557,518</u>

- 8.1 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.

- 8.2 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. 500 million.

- 8.3** 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.
- 8.4** The Company has availed Long Term Finance facilities from two banks. The interest rates on these facilities range from 7.03 to 7.56 percent per annum (December 31, 2014: 10.14 and 10.73 percent per annum) with maturities between October 1, 2015 and June 25, 2018 (December 31, 2014: September 11, 2015 and June 25, 2018).
- 8.5** This represents finance obtained from an Islamic bank. The profit rates on the finance ranges between 5.95 and 6.50 percent per annum with maturities between October 01, 2015 to November 20, 2015.

<b>9. DEPOSITS AND OTHER ACCOUNTS</b>	<b>Note</b>	<b>September 30, 2015 (Un-audited) (Rupees in '000)</b>	<b>December 31, 2014 (Audited)</b>
Certificates of investment (COIs) / deposits	9.1	<u><u>198,500</u></u>	<u><u>397,790</u></u>

- 9.1** 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).

<b>10. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES - NET OF TAX</b>	<b>September 30, 2015 (Un-audited) (Rupees in '000)</b>	<b>December 31, 2014 (Audited)</b>
Federal government securities	334,152	256,560
Shares of listed companies	739,442	686,991
Listed sukuk	11,856	11,810
Share of surplus on revaluation held by associates	<u>254,141</u>	<u>381,799</u>
	<u>1,339,591</u>	<u>1,337,160</u>
Deferred Tax	<u>(246,919)</u>	<u>(233,521)</u>
	<u><u>1,092,672</u></u>	<u><u>1,103,639</u></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, 2014.

### **11.2 Other commitments**

<b>11.2 Other commitments</b>	<b>September 30, 2015 (Un-audited) (Rupees in '000)</b>	<b>December 31, 2014 (Audited)</b>
Undisbursed sanctions for financial assistance in the form of loans and advances	<u>2,306,408</u>	859,482
	<u><u>2,306,408</u></u>	<u><u>859,482</u></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, 2015 - (Un-audited)</b>						
Total income - gross	352,584	557,601	-	1,940,533	20,639	2,871,357
Total mark-up / return / interest expense	(173,861)	(98,611)	-	-	-	(272,472)
Segment provision / impairment / unrealised gain / losses	(84,430)	-	-	(296,486)	-	(380,916)
	(258,291)	(98,611)	-	(296,486)	-	(653,388)
Net operating income	94,293	458,990	-	1,644,047	20,639	2,217,969
Administrative expenses and other charges						(390,445)
Profit before taxation						1,827,524
<b>Period ended September 30, 2015 - (Un-audited)</b>						
Segment assets - net	7,366,461	6,893,781	-	12,665,250	799,601	27,725,093
Segment non-performing loans	1,648,662	-	-	-	-	1,648,662
Segment provision required and held	1,527,176	-	-	-	-	1,527,176
Segment liabilities	1,767,609	4,483,167	-	15,752	1,207,578	7,474,106
Segment return on net assets (ROA) % *	9.01%	10.58%	-	19.03%	2.58%	-
Segment cost of funds (%) *	8.24%	7.09%	-	-	-	-

\* 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) -----						
<b>Nine months period ended September 30, 2014 - (Un-audited)</b>						
Total income - gross	680,634	603,240	-	2,048,491	20,885	3,353,251
Total mark-up / return / interest expense	(370,432)	(130,254)	-	-	-	(500,686)
Segment provision / impairment / unrealised losses	162,613	-	-	21	-	162,634
	(207,819)	(130,254)	-	21	-	(338,053)
Net operating income	472,815	472,986	-	2,048,512	20,885	3,015,198
Administrative expenses and other charges						(403,679)
Profit before taxation						2,611,519
<b>Period ended September 30, 2014 - (Un-audited)</b>						
Segment assets - net	5,578,031	6,552,921	-	11,474,324	723,634	24,328,910
Segment non-performing loans	1,702,206	-	-	-	-	1,702,206
Segment provision required and held	1,571,450	-	-	-	-	1,571,450
Segment liabilities	4,531,123	785,003	-	-	842,718	6,158,844
Segment return on net assets (ROA) %	16.73%	11.03%	-	32.82%	2.88%	-
Segment cost of funds (%)	10.12%	10.01%	-	-	-	-

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, 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.

	<b>Nine months period ended September 30, 2015 (Un-audited) (Rupees in '000)</b>	Nine months period ended September 30, 2014 (Un-audited) (Rupees in '000)
<b>Expenses charged to :</b>		
- associates	12,508	16,735
- other related party	180	200
<b>Expenses charged by:</b>		
- associates	572	682
- other related party	17,252	14,148
<b>Dividend income from associates</b>	<b>1,048,318</b>	718,196
<b>Mark-up earned on bank deposit with an associate</b>	<b>352</b>	454
<b>Mark-up earned on loans and advances:</b>		
- key management personnel	226	480
<b>Mark-up expense on COIs of a related party:</b>		
- other related party	176	229
<b>Sale of shares of associate</b>	-	1,000
<b>Contribution made to provident fund</b>	<b>13,573</b>	12,386
	<b>September 30, 2014 (Un-audited) (Rupees in '000)</b>	<b>December 31, 2014 (Audited) (Rupees in '000)</b>
<b>Loans and advances to key management personnel</b>		
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	(4,197)	(10,302)
Deletion during the period / year	(11,803)	-
<b>Balance as at</b>	<b>(12,210)</b>	<b>(4,903)</b>
	<b>11,794</b>	<b>24,004</b>
<b>Bank balances with an associate</b>	<b>8,412</b>	17,857
<b>Mark-up receivable on bank deposit with an associate</b>	<b>58</b>	69
<b>Deposits / COIs from:</b>		
- other related party	2,500	2,500
<b>Mark-up payable to :</b>		
- other related party	109	1,465
<b>Investments in:</b>		
- associates	10,030,717	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. 72.834 million (September 30, 2014: Rs. 75.811 million) and staff retirement benefits amount to Rs. 9.165 million (September 30, 2014: Rs. 8.350 million).

### 14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue in the Board of Directors meeting held on November 01, 2015.

### 15. GENERAL

- 15.1. 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.
- 15.2. The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

  
Deputy General Manager / Chief Financial Officer

  
Chief Executive

  
Director

  
Chief Executive

  
Director