

## PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

# CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended September 30, 2017

## Pakistan Kuwait Investment Company (Private) Limited Condensed Interim Statement of Financial Position

As at September 30, 2017

ASSETS	Note	September 30, 2017 (Un -Audited) (Rupees i	December 31, 2016 (Audited) n '000)
Cash and balances with treasury banks		61,920	61,995
Balances with other banks		8,093	16,691
Lendings to financial institutions	6	400,290	2,632,880
Investments	7	25,246,484	21,206,169
Advances	8	3,004,225	4,422,496
Operating fixed assets	_	200,439	201,875
Deferred tax assets		-	-
Other assets		192,942	399,306
		29,114,393	28,941,412
Bills payable Borrowings from financial institutions Deposits and other accounts Subordinated loans Liabilities against assets subject to finance lease Deferred tax liabilities Other liabilities  NET ASSETS	9 10	2,587,005 3,600 - 1,406,734 446,839 4,444,178 24,670,215	2,661,764 3,650 - 1,135,537 453,141 4,254,092 24,687,320
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		6,876,320	6,876,320
Unappropriated profit		10,884,666	9,946,000
		23,760,986	22,822,320
Surplus on revaluation of 'available-for-sale'			
securities - net of tax	11	909,229	1,865,000
		24,670,215	24,687,320
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

Chief Financial Officer

Chief Evecutive

Director

Chief Executive

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

For the nine months period ended September 30, 2017

September 30, 2017   September 30, 2016		Quarter ended	Nine months period ended	Quarter ended	Nine months period ended
Mark-up / return / interest earned         189,099         562,273         209,762         841,940           Mark-up / return / interest expensed         26,240         78,343         38,489         216,829           Net mark-up / interest income         162,859         483,930         171,273         625,111           Reversal of provision against non-performing loans and advances - net provision for diminution / impairment in the value of investments         114,988         159,314         19,916         37,863           Bad debts written off directly         99,814         (121,794)         1,474         (18,403)           Net mark-up / interest income after provisions         63,045         605,724         169,799         643,514           NON MARK-UP / INTEREST INCOME         1,159         1,777         1,724         3,516           Dividend income         20,20         137,733         66,127         224,723           Income from dealing in foreign currencies         1,635         90,421         96,467         154,519           Clain on sale of securities         1,929         1,469         (574)         1,179           Cherincome         2,929         1,469         (574)         1,179           Pheld-fo-trading securities         489,559         1,632,518         1,71,369 <t< th=""><th></th><th></th><th></th><th></th><th></th></t<>					
National			(Rupees in	ı '000)	
Net mark-up / interest income   162,859   483,930   171,273   625,111	Mark-up / return / interest earned	189,099	562,273	209,762	841,940
Reversal of provision against non-performing loans and advances - net   (15,174)   (281,108)   (18,442)   (56,266)   Provision for diminution / impairment in the value of investments   114,988   159,314   19,916   37,863   37,863   37,863   399,814   (121,794)   1,474   (18,403)   (1					
Provision for diminution / Impairment in the value of investments   114,988   159,314   19,916   37,863   19,814   (121,794)   1,474   (18,403)   (18,40	Net mark-up / interest income	162,859	483,930	171,273	625,111
Bad debts written off directly   99,814   (121,794)   1,474   (18,403)   1,474   (18,403)   1,474   (18,403)   1,474   (18,403)   1,474   (18,403)   1,474   (18,403)   1,474   (18,403)   1,474   (18,403)   1,474   (18,403)   1,474   (18,403)   1,474   1,474   (18,403)   1,474   1,474   (18,403)   1,474   1,					
Net mark-up / interest income after provisions   63,045   605,724   1.474   (118,403)		114,988	159,314	19,916	
Not mark-up / interest income after provisions   63,045   605,724   169,799   643,514	bad debts written off directly	99,814	(121,794)	1.474	
Pee, commission and brokerage income   1,150   1,777   1,724   3,516   20,201   137,733   66,127   224,723   62,272   1,635   90,421   96,467   154,519   1,779   1,724   1,724   3,516   1,777   1,724   224,723   1,635   90,421   96,467   154,519   1,725   1,632   1,635   90,421   96,467   154,519   1,727   1,724   1,724   1,724   1,724   1,724   1,725   1,225   1,632   1,345   1,245	Net mark-up / interest income after provisions				
Pee, commission and brokerage income   1,150   1,777   1,724   3,516   20,201   137,733   66,127   224,723   62,272   1,635   90,421   96,467   154,519   1,777   1,724   3,516   1,777   1,724   224,723   1,635   90,421   96,467   154,519   1,777   1,724   1,724   1,724   2,247,23   1,635   90,421   96,467   154,519   1,777   1,724   1,724   1,724   1,725   1,225   1,632,518   1,171,429   1,179	NON MARK-UP / INTEREST INCOME				
Dividend income   20,201   137,733   66,127   224,723   1		1,150	1,777	1,724	3,516
Cain on sale of securities   1,635   90,421   96,467   154,519     Unrealised gain / (loss) on revaluation of held-for-trading' securities   2,929   1,469   (574)   1,179     Share in results of associates - net   489,559   1,632,518   1,171,429   2,228,659     Other income   2,442   15,965   9,947   25,578     Total non mark-up / interest income   517,916   1,879,883   1,345,120   2,638,174     NON MARK-UP / INTEREST EXPENSES   125,473   355,208   170,773   424,970     Reversal of provision on fixed assets and non-current asset held for sale - net   2,	Dividend income	20,201	137,733	66,127	224,723
Unrealised gain / (loss) on revaluation of held-for-trading securities   2,929   1,469   (574)   1,179   (574)   1,179   (574)   (57		1.05	-	-	-
Theld-for-trading securities   2,929   1,469   (574)   1,179   1,179   1,179   1,682,518   1,171,429   2,228,659   1,632,518   1,171,429   2,228,659   1,632,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,228,659   1,682,518   1,171,429   2,238,174   1,249,70   1		1,635	90,421	96,467	154,519
Share in results of associates - net Other income         489,559 (2,442)         1,632,518 (1,71,429)         1,171,429 (2,228,659)         2,228,659 (9,947)         2,578 (25,578)           Total non mark-up / interest income         517,916         1,879,883         1,345,120         2,638,174           NON MARK-UP / INTEREST EXPENSES         Administrative expenses         125,473         355,208         170,773         424,970           Reversal of provision on fixed assets and non-current asset held for sale - net Other charges         -         -         -         587         (42,106)           Total non mark-up / interest expenses         125,473         355,208         171,360         382,864           Extra ordinary / unusual items         - <td></td> <td>2,929</td> <td>1,469</td> <td>(574)</td> <td>1.179</td>		2,929	1,469	(574)	1.179
Other income         2,442         15,965         9,947         25,578           Total non mark-up / interest income         517,916         1,879,883         1,345,120         2,638,174           NON MARK-UP / INTEREST EXPENSES           Administrative expenses         125,473         355,208         170,773         424,970           Reversal of provision on fixed assets and non-current asset held for sale - net Other charges         -         -         587         (42,106)           Other charges         125,473         355,208         171,360         382,864           Extra ordinary / unusual items         -         -         -         -         -           PROFIT BEFORE TAXATION         455,488         2,130,399         1,343,559         2,898,824           Taxation         - </td <td></td> <td></td> <td></td> <td></td> <td></td>					
NON MARK-UP / INTEREST EXPENSES   Administrative expenses   125,473   355,208   170,773   424,970   (42,106)   Other charges     -   587   (42,106)   Other charges     -   -   -   -   -   -   -     (42,106)   Other charges   125,473   355,208   171,360   382,864   Extra ordinary / unusual items     -   -   -   -   -     -	Other income			, ,	
Administrative expenses  Reversal of provision on fixed assets and non-current asset held for sale - net Other charges Total non mark-up / interest expenses Extra ordinary / unusual items  PROFIT BEFORE TAXATION  - Current - Deferred  PROFIT AFTER TAXATION  Basic and diluted earning per share  125,473  355,208  170,773  424,970  424,970  424,970  424,970  642,106)  6  125,473  355,208  171,360  382,864  2.130,399  1,343,559  2,898,824  2,130,399  1,343,559  2,898,824  115,208  306,986  128,001  369,022  - 1	Total non mark-up / interest income	517,916	1,879,883	1,345,120	2,638,174
Reversal of provision on fixed assets and non-current asset held for sale - net Other charges	NON MARK-UP / INTEREST EXPENSES				
Other charges         -         <		125,473	355,208		· · · · · · · · · · · · · · · · · · ·
Total non mark-up / interest expenses         125,473         355,208         171,360         382,864           Extra ordinary / unusual items         -         -         -         -         -         -           PROFIT BEFORE TAXATION         455,488         2,130,399         1,343,559         2,898,824           Taxation         -<		-	-	587	(42,106)
Extra ordinary / unusual items		105 452	255 200	- 171 260	- 202.064
PROFIT BEFORE TAXATION         455,488         2,130,399         1,343,559         2,898,824           Taxation         115,208         306,986         128,001         369,022           - Prior years         -         -         -         -           - Deferred         (4,164)         372,838         89,745         131,258           PROFIT AFTER TAXATION         311,044         679,824         217,746         500,280           Basic and diluted earning per share         Rupees         -         Rupees		125,473	355,208	1/1,360	382,864
Taxation         115,208         306,986         128,001         369,022           - Prior years         -         -         -         -           - Deferred         (4,164)         372,838         89,745         131,258           PROFIT AFTER TAXATION         311,044         679,824         217,746         500,280           Basic and diluted earning per share         Rupees         -         Rupees		455,488	2,130,399	1.343.559	2.898.824
- Prior years		,	, ,		, ,
Deferred   (4,164)   372,838   89,745   131,258     111,044   679,824   217,746   500,280     111,044   1,450,575   1,125,813   2,398,544     1,450,575   1,125,813     1,450,575   1,125,813     1,450,575   1,125,813     1,450,575   1,450,575     1,450,575   1,450,575     1,450,575   1,450,575     1,450,575		115,208	1 1 1	128,001	369,022
PROFIT AFTER TAXATION         111,044         679,824         217,746         500,280           344,444         1,450,575         1,125,813         2,398,544    Basic and diluted earning per share		- (4164)		-	- 121 250
PROFIT AFTER TAXATION         344,444         1,450,575         1,125,813         2,398,544           Basic and diluted earning per share	- Deferred				
Basic and diluted earning per share	PROFIT AFTER TAXATION				
Basic and diluted earning per share		·			
	Basic and diluted earning per share		Rupe	es	
		1,435	6,044	4,691	9,994

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

Chief Financial Officer

Director

Chief Executive

Chief Executive

Condensed Interim Statement of Comprehensive Income - (Un-audited)

For the nine months period ended September 30, 2017

	Note _	Quarter ended	Nine months period ended	Quarter ended	Nine months period ended
		Septemb	er 30, 2017		er 30, 2016
			(Rupees i	in (100)	<b></b>
Profit for the period		344,444	1,450,575	1,125,813	2,398,544
Other comprehensive income					
Share of remeasurement of defined benefit plans of associates - net of deferred tax		-	(11,909)	761	(7,411)
Comprehensive income transferred to equity	_	344,444	1,438,666	1,126,574	2,391,133
Component of comprehensive income not transferred to equity					
Share of (deficit) / surplus on revaluation of 'available for sale' securities of associates	7.2	(224,057)	(441,912)	271,748	271,867
Deferred tax on revaluation of 'available for sale' securities of associates		33,399	67,445	(38,371)	(38,065)
(Deficit) / surplus on revaluation of 'available for sale' securities		(95,945)	(615,500)	87,111	153,185
Deferred tax on revaluation of 'available-for-sale' securities		(37,597)	34,196	(48,742)	9,095
Total comprehensive income for the period	-	20,244	482,895	1,398,320	2,787,215

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

Chief Financial Officer

ector Chief Executive

Condensed Interim Statement of Changes in Equity - (Un-audited)

For the nine months period ended September 30, 2017

	Share Capital	Statutory Reserve	Non-distributable Reserve	Capital Market Equalization Reserve	Unappropriated profit	Total
			(Rupees i	n '000)		
Balance as at January 01, 2016	6,000,000	4,454,684	843,263	450,623	7,978,238	19,726,808
Profit for the nine months period ended September 30, 2016	-	-	-	-	2,398,544	2,398,544
Other comprehensive income	-	-	_	-	(7,411)	(7,411)
Total comprehensive income	-	-	-	-	2,391,133	2,391,133
Share of gain on bargain purchase by an associate	-	-	92,001	-	-	92,001
Transactions with the owners of the Company						
Final dividend for the year ended December 31, 2015 @ Rs. 1,895.8 per share approved subsequent to year end	-	-	-	-	(455,000)	(455,000)
Balance as at September 30, 2016	6,000,000	4,454,684	935,264	450,623	9,914,371	21,754,942
Balance as at January 01, 2017	6,000,000	5,145,183	935,264	795,873	9,946,000	22,822,320
Profit for the nine months period ended September 30, 2017	-	-	-	-	1,450,575	1,450,575
Other comprehensive income	-	-	_	-	(11,909)	(11,909)
Total comprehensive income	-	-	-	-	1,438,666	1,438,666
Dividend for the year ended December 31, 2016 @ Rs. 2,083.3 per share approved subsequently to year end	-	-	-	-	(500,000)	(500,000)
Balance as at September 30, 2017	6,000,000	5,145,183	935,264	795,873	10,884,666	23,760,986

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

Chief Financial Officer

Director

Chief Executive

Condensed Interim Cash Flow Statement - (Un-audited)

For the nine months period ended September 30, 2017

CASH FLOW FROM OPERATING ACTIVITIES         2,130,399         2,898,284           Profit before taxation         (137,733)         (224,723)           Less: Dividend income         1,992,666         2,674,101           Adjustments for:         1,992,666         2,674,101           Depreciation         7,2014         6,679           Amortization         6,440         8,942           Reversal of provision against non-performing loans and advances - net         (281,108)         (56,260)           Reversal of provision on fixed assets and non-current asset held for sale - net         -         (42,106)           Provision for diminution / impairment in the value of investments         159,314         37,863           Unrealised gain on revaluation of held for trading' securities         (1,452,18)         (1,177)         (2228,659)           Gain on disposal of operating fixed assets         (1,157)         (2228,659)         (1,157)         (2228,659)           Gain on disposal of operating fixed assets         (1,174,3294)         (2,274,726)         (2,274,726)         (2,274,726)         (2,274,726)         (2,274,726)         (2,274,726)         (2,274,726)         (2,274,726)         (2,274,726)         (2,174,726)         (2,174,726)         (2,174,726)         (2,174,726)         (2,174,726)         (2,174,726)         (2,174,726) </th <th></th> <th colspan="3">(Rupees in '000)</th>		(Rupees in '000)		
Profit before taxation   2,190,399   2,898,824   2,855 Dividend income   1,932,666   2,674,101   1,992,666   2,674,101   1,992,666   2,674,101   1,992,666   2,674,101   1,992,666   2,674,101   1,992,666   2,674,101   1,992,666   2,674,101   1,992,666   2,674,101   1,992,666   2,674,101   1,992,666   2,674,101   1,992,676   2,682,676   2,6	CASH FLOW FROM OPERATING ACTIVITIES			
Content   Cont		2.130.399	2.898.824	
Adjustments for:  Depreciation Amortization Reversal of provision against non-performing loans and advances - net (281,108) (56,266) Reversal of provision on fixed assets and non-current asset held for sale - net Provision for diminution / impairment in the value of investments Unrealised gain on revaluation of 'field for trading' securities (1,469) California (1,469)				
Depreciation	2400 2. Maria intolia			
Amortization         6,440         8,942           Reversal of provision against non-performing loans and advances - net         (281,108)         (56,266)           Reversal of provision on fixed assets and non-current asset held for sale - net         159,314         37,863           Unrealised gain on revaluation of held for trading' securities         (1,460)         (1,175)           Share in results of associates - net         (1,632,518)         (2,228,659)           Gain on disposal of operating fixed assets         (1,734,204)         (2,274,726)           Decrease / (Increasing) in operating assets         249,372         399,375           Lendings to financial institutions         2,232,590         (1,555,167)           Held-for-trading' securities         (98,574)         12,196           Advances         (98,574)         12,196           Other sasets (excluding advance taxation)         118,481         392,673           Borrowings from financial institutions         (74,759)         (3,853,955)           Deposits and other accounts         (60)         78,750           Other liabilities (excluding current taxation)         (6,302)         160,387           Income tax paid         (2,30,231)         (3,118,80)           Net cash inflow / (outflow) from operating activities         (3,673,284)         3,188,692 </td <td>Adjustments for:</td> <td></td> <td></td>	Adjustments for:			
Reversal of provision against non-performing loans and advances - net         . (281,108)         (56,266)           Reversal of provision on fixed assets and non-current asset held for sale - net         . (42,106)         (42,106)           Provision for diminution in impairment in the value of investments         119,314         37,863           Unrealised gain on revaluation of held for trading' securities         (1,624,518)         (2,228,659)           Gain on disposal of operating fixed assets         (1,157)         .           Gain on disposal of operating fixed assets         (1,157)         .           Lendings to financial institutions         2,232,500         (1,555,167)           Lendings to financial institutions         2,885,744         12,196           Advances         1,699,379         564,044           Others assets (excluding advance taxation)         3,951,876         (586,254)           Other assets (excluding advance taxation)         (74,759)         3,853,955           Deposits and other accounts         (50)         78,750           Other liabilities         (50)         78,750           Deposits and other accounts         (50)         78,750           Other liabilities (excluding current taxation)         (6,302)         160,481           Net cash inflow / (outflow) from operating activities         (3,	Depreciation	7,204	6,679	
Reversal of provision on fixed assets and non-current asset held for sale - net	Amortization	6,440	8,942	
Provision for diminution / impairment in the value of investments         159,314         37,863           Unrealised gain on revaluation of 'held for trading' securities         (1,632,518)         (2,228,659)           Share in revaluation of 'held for trading' securities         (1,632,518)         (2,228,659)           Gain on disposal of operating fixed assets         (1,157)         -           Decrease / (Increasing) in operating assets         249,372         399,375           Lendings to financial institutions         2,232,590         (1,555,167)           Advances         (98,574)         12,196           Advances         1,699,379         564,044           Others assets (excluding advance taxation)         118,481         392,673           Obecrease) in operating liabilities         3,951,876         (586,254)           Obecrease) in operating liabilities         (74,759)         (3,853,955)           Deposits and other accounts         (50)         78,750           Other liabilities (excluding current taxation)         (6302)         160,387           Income tax paid         (81,111)         (3,614,818)           Net ask inflow / (outflow) from operating activities         3,880,96         (401,3286)           Net investment in 'available-for-sale' securities         (3,673,284)         7,197	Reversal of provision against non-performing loans and advances - net	(281,108)	(56,266)	
Unrealised gain on revaluation of 'held for trading' securities         (1,469)         (1,179)           Share in results of associates - net         (1,632,518)         (2,228,659)           Gain on disposal of operating fixed assets         (1,157)         -           (1,743,294)         (2,274,726)         399,375           Decrease / (Increasing) in operating assets         249,372         399,375           Lendings to financial institutions         2,232,590         (1,555,167)           Held-for-trading' securities         (98,574)         12,196           Advances         1,699,379         564,044           Others assets (excluding advance taxation)         118,481         392,673           Cocrease) in operating liabilities         (74,759)         (3,853,955)           Borrowings from financial institutions         (74,759)         (3,853,955)           Other liabilities (excluding current taxation)         (50)         78,750           Other liabilities (excluding current taxation)         (81,111)         (3,614,818)           Net cash inflow / (outflow) from operating activities         3,880,906         (40,13,286)           CASH FLOW FROM INVESTING ACTIVITIES           Net investment in 'associates         (3,673,284)         3,188,692           Net investment in 'asaliable-for-sale' secur	Reversal of provision on fixed assets and non-current asset held for sale - net	-	(42,106)	
Share in results of associates - net         (1,632,518) (1,157) (1,157)         (2,228,659)           Gain on disposal of operating fixed assets         (1,1743,294) (2,274,726)         399,375           Decrease / (Increasing) in operating assets         249,372         399,375           Lendings to financial institutions         2,232,590 (1,555,167)         12,196           Advances         1,699,379 (1,598,74)         12,196           Advances         1,18,481 (1,699,379)         564,044           Others assets (excluding advance taxation)         118,481 (1,699,379)         564,044           Other assets form financial institutions         (74,759)         (3,853,955)           Deposits and other accounts         (50)         78,750           Other liabilities (excluding current taxation)         (6,302)         160,387           Other liabilities (excluding current taxation)         (8,1111)         (3,614,818)           Net cash inflow / (outflow) from operating activities         3,880,906         (4013,286)           CASH FLOW FROM INVESTING ACTIVITIES         (3,673,284)         3,188,692           Net investment in 'available-for-sale' securities         (3,673,284)         3,188,692           Net investment in 'available-for-sale' securities         (3,673,284)         3,188,692           Net investment in 'available-for-sale' s	Provision for diminution / impairment in the value of investments	159,314	37,863	
Gain on disposal of operating fixed assets         (1,134,294)         (2,274,726)           249,372         399,375           Decrease / (Increasing) in operating assets         249,372         399,375           Lendings to financial institutions         2,232,590         (1,555,167)           Held-for-trading' securities         (98,574)         12,196           Advances         1,699,379         564,044           Others assets (excluding advance taxation)         3,951,876         (586,254)           (Decrease) in operating liabilities         (74,759)         (3,853,955)           Deposits and other accounts         (50)         78,750           Other liabilities (excluding current taxation)         (81,111)         (3,614,818)           Other liabilities (excluding current taxation)         (81,111)         (3,614,818)           Other liabilities (excluding current taxation)         (81,111)         (3,614,818)           Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES           Net investment in available-for-sale' securities         (3,673,284)         3,188,692           Net investment in available-for-sale' securities         (902,464)         70,197           Net investment in in operating fixed assets	Unrealised gain on revaluation of 'held for trading' securities	(1,469)	(1,179)	
Capability   Cap	Share in results of associates - net	(1,632,518)	(2,228,659)	
Decrease / (Increasing) in operating assets   Lendings to financial institutions   \$2,232,590   \$(1,555,167)\$   Held-for-trading' securities   \$(98,574)   \$12,196\$   Advances   \$1,699,379   \$564,044\$   \$392,673\$   \$395,1876\$   \$(586,254)\$   \$(1,698,374)   \$(1,698,379)   \$(586,254)\$   \$(1,698,379)   \$(586,254)\$   \$(1,698,379)   \$(586,254)\$   \$(1,698,379)   \$(1,69	Gain on disposal of operating fixed assets	(1,157)	-	
Decrease / (Increasing) in operating assets		(1,743,294)	(2,274,726)	
Lendings to financial institutions		249,372	399,375	
Held-for-trading' securities				
Advances Others assets (excluding advance taxation)         1,699,379 (118,481)         564,044 (392,673)           Others assets (excluding advance taxation)         3751,876         (586,254)           (Decrease) in operating liabilities         (74,759)         (3,853,955)           Borrowings from financial institutions         (74,759)         (3,853,955)           Deposits and other accounts         (6,002)         160,387           Other liabilities (excluding current taxation)         (81,111)         (3,614,818)           Net insultance         (239,231)         (211,589)           Income tax paid         (239,231)         (211,589)           Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES         Vertile transparent in associates         (902,464)         70,197           Net investment in associates         (902,464)         70,197         11,197,221         1,106,561           Investment in associates         (11,209)         (3,529)         1,187         -           Dividend received         1,197,221         1,106,561         1,197,221         1,106,561           Investments in operating fixed assets         1,157         -         -           Net cash (outflow) / inflow from investing activities <t< td=""><td></td><td></td><td></td></t<>				
Others assets (excluding advance taxation)         118,481         392,673           (Decrease) in operating liabilities         3,951,876         (586,254)           Borrowings from financial institutions         (74,759)         (3,853,955)           Deposits and other accounts         (50)         78,750           Other liabilities (excluding current taxation)         (6,302)         160,387           Income tax paid         (239,231)         (211,589)           Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES         (3,673,284)         3,188,692           Net investment in 'available-for-sale' securities         (902,464)         70,197           Net investment in 'held-to-maturity' securities         -         143,292           Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         (50,000)         (4,55,000)           CASH F	'Held-for-trading' securities			
CDecrease) in operating liabilities         3,951,876         (586,254)           Borrowings from financial institutions         (74,759)         (3,853,955)           Deposits and other accounts         (50)         78,750           Other liabilities (excluding current taxation)         (6,302)         160,387           Income tax paid         (239,231)         (3,811,818)           Net cash inflow / (outflow) from operating activities         (239,231)         (211,589)           Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES         Net investment in 'available-for-sale' securities         (3,673,284)         3,188,692           Net investment in 'associates         (902,464)         70,197           Net investment in 'held-to-maturity' securities         -         143,292           Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         (12,209)         (3,529)           Net cash (outflow) / inflow from investing activities         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         (500,000)         (455,000)           Dividend paid         (500,000)				
Commons   Comm	Others assets (excluding advance taxation)			
Borrowings from financial institutions		3,951,876	(586,254)	
Deposits and other accounts         (50)         78,750           Other liabilities (excluding current taxation)         (6,302)         160,387           Income tax paid         4,120,137         (3,801,697)           Income tax paid         (239,231)         (211,589)           Net cash inflow/(outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES         Verime transpaid         3,188,692           Net investment in 'available-for-sale' securities         (902,464)         70,197           Net investment in held-to-maturity' securities         92,464         70,197           Net investment in in beld-to-maturity' securities         -         143,292           Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         (1,157)         -           Net cash (outflow) / inflow from investing activities         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         Spividend paid         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           Operase) / Increase in cash and cash equivalents         (8,673)         36,927				
Other liabilities (excluding current taxation)         (6,302)         160,387           (81,111)         (3,614,818)         (3,614,818)           Income tax paid         (239,231)         (211,589)           Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES           Net investment in 'available-for-sale' securities         (3,673,284)         3,188,692           Net investment in 'available-for-sale' securities         (902,464)         70,197           Net investment in in 'held-to-maturity' securities         -         143,292           Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           (Decrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675				
(81,111)         (3,614,818)           4,120,137         (3,801,697)           Income tax paid         (239,231)         (211,589)           Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES           Net investment in 'available-for-sale' securities         (3,673,284)         3,188,692           Net investment in associates         (902,464)         70,197           Net investment in 'held-to-maturity' securities         -         143,292           Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           Obecrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675	•			
Income tax paid         4,120,137         (3,801,697)           Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES         Securities         (3,673,284)         3,188,692           Net investment in 'available-for-sale' securities         (902,464)         70,197           Net investment in 'held-to-maturity' securities         -         143,292           Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         1,157         -           Net cash (outflow) / inflow from investing activities         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         Dividend paid         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           (Decrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675	Other liabilities (excluding current taxation)			
Income tax paid         (239,231)         (211,589)           Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES         Secondary (3,673,284)         3,188,692           Net investment in 'available-for-sale' securities         (902,464)         70,197           Net investment in 'held-to-maturity' securities         -         143,292           Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         1,157         -           Net cash (outflow) / inflow from investing activities         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         (500,000)         (455,000)           Dividend paid         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           (Decrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675				
Net cash inflow / (outflow) from operating activities         3,880,906         (4,013,286)           CASH FLOW FROM INVESTING ACTIVITIES         Net investment in 'available-for-sale' securities         (3,673,284)         3,188,692           Net investment in associates         (902,464)         70,197           Net investment in 'held-to-maturity' securities         -         143,292           Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         1,157         -           Net cash (outflow) / inflow from investing activities         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         Dividend paid         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           (Decrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675				
CASH FLOW FROM INVESTING ACTIVITIES         Net investment in 'available-for-sale' securities       (3,673,284)       3,188,692         Net investment in associates       (902,464)       70,197         Net investment in 'held-to-maturity' securities       -       143,292         Dividend received       1,197,221       1,106,561         Investments in operating fixed assets       (12,209)       (3,529)         Sale proceeds of operating fixed assets       1,157       -         Net cash (outflow) / inflow from investing activities       (3,389,579)       4,505,213         CASH FLOW FROM FINANCING ACTIVITIES       500,000       (455,000)         Dividend paid       (500,000)       (455,000)         Net cash used in financing activities       (500,000)       (455,000)         (Decrease) / Increase in cash and cash equivalents       (8,673)       36,927         Cash and cash equivalents at beginning of the period       78,686       84,675	•			
Net investment in 'available-for-sale' securities       (3,673,284)       3,188,692         Net investment in associates       (902,464)       70,197         Net investment in 'held-to-maturity' securities       -       143,292         Dividend received       1,197,221       1,106,561         Investments in operating fixed assets       (12,209)       (3,529)         Sale proceeds of operating fixed assets       1,157       -         Net cash (outflow) / inflow from investing activities       (3,389,579)       4,505,213         CASH FLOW FROM FINANCING ACTIVITIES       500,000)       (455,000)         Net cash used in financing activities       (500,000)       (455,000)         (Decrease) / Increase in cash and cash equivalents       (8,673)       36,927         Cash and cash equivalents at beginning of the period       78,686       84,675	Net cash inflow / (outflow) from operating activities	3,880,906	(4,013,286)	
Net investment in 'available-for-sale' securities       (3,673,284)       3,188,692         Net investment in associates       (902,464)       70,197         Net investment in 'held-to-maturity' securities       -       143,292         Dividend received       1,197,221       1,106,561         Investments in operating fixed assets       (12,209)       (3,529)         Sale proceeds of operating fixed assets       1,157       -         Net cash (outflow) / inflow from investing activities       (3,389,579)       4,505,213         CASH FLOW FROM FINANCING ACTIVITIES       500,000)       (455,000)         Net cash used in financing activities       (500,000)       (455,000)         (Decrease) / Increase in cash and cash equivalents       (8,673)       36,927         Cash and cash equivalents at beginning of the period       78,686       84,675	CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in associates       (902,464)       70,197         Net investment in 'held-to-maturity' securities       -       143,292         Dividend received       1,197,221       1,106,561         Investments in operating fixed assets       (12,209)       (3,529)         Sale proceeds of operating fixed assets       1,157       -         Net cash (outflow) / inflow from investing activities       (3,389,579)       4,505,213         CASH FLOW FROM FINANCING ACTIVITIES       500,000       (455,000)         Net cash used in financing activities       (500,000)       (455,000)         Net cash used in financing activities       (500,000)       (455,000)         (Decrease) / Increase in cash and cash equivalents       (8,673)       36,927         Cash and cash equivalents at beginning of the period       78,686       84,675		(3,673,284)	3.188.692	
Net investment in 'held-to-maturity' securities       -       143,292         Dividend received       1,197,221       1,106,561         Investments in operating fixed assets       (12,209)       (3,529)         Sale proceeds of operating fixed assets       1,157       -         Net cash (outflow) / inflow from investing activities       (3,389,579)       4,505,213         CASH FLOW FROM FINANCING ACTIVITIES       (500,000)       (455,000)         Net cash used in financing activities       (500,000)       (455,000)         (Decrease) / Increase in cash and cash equivalents       (8,673)       36,927         Cash and cash equivalents at beginning of the period       78,686       84,675				
Dividend received         1,197,221         1,106,561           Investments in operating fixed assets         (12,209)         (3,529)           Sale proceeds of operating fixed assets         1,157         -           Net cash (outflow) / inflow from investing activities         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           (Decrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675	Net investment in 'held-to-maturity' securities	·		
Investments in operating fixed assets       (12,209)       (3,529)         Sale proceeds of operating fixed assets       1,157       -         Net cash (outflow) / inflow from investing activities       (3,389,579)       4,505,213         CASH FLOW FROM FINANCING ACTIVITIES       (500,000)       (455,000)         Net cash used in financing activities       (500,000)       (455,000)         (Decrease) / Increase in cash and cash equivalents       (8,673)       36,927         Cash and cash equivalents at beginning of the period       78,686       84,675		1,197,221		
Sale proceeds of operating fixed assets         1,157         -           Net cash (outflow) / inflow from investing activities         (3,389,579)         4,505,213           CASH FLOW FROM FINANCING ACTIVITIES         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           (Decrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675	Investments in operating fixed assets			
Net cash (outflow) / inflow from investing activities(3,389,579)4,505,213CASH FLOW FROM FINANCING ACTIVITIESDividend paid(500,000)(455,000)Net cash used in financing activities(500,000)(455,000)(Decrease) / Increase in cash and cash equivalents(8,673)36,927Cash and cash equivalents at beginning of the period78,68684,675			-	
CASH FLOW FROM FINANCING ACTIVITIES           Dividend paid         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           (Decrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675			4,505,213	
Dividend paid         (500,000)         (455,000)           Net cash used in financing activities         (500,000)         (455,000)           (Decrease) / Increase in cash and cash equivalents         (8,673)         36,927           Cash and cash equivalents at beginning of the period         78,686         84,675				
Net cash used in financing activities(500,000)(455,000)(Decrease) / Increase in cash and cash equivalents(8,673)36,927Cash and cash equivalents at beginning of the period78,68684,675			(455.000)	
(Decrease) / Increase in cash and cash equivalents(8,673)36,927Cash and cash equivalents at beginning of the period78,68684,675	•			
Cash and cash equivalents at beginning of the period 78,686 84,675	Net cash used in financing activities	(500,000)	(455,000)	
		(8,673)	36,927	
Cash and cash equivalents at end of the period 70,013 121,602	, , , , ,	78,686	84,675	
	Cash and cash equivalents at end of the period	70,013	121,602	

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

Chief Financial Officer

Director

Chief Executive

2017

2016

ecutive Director

Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months period ended September 30, 2017

#### 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, this condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2016.

#### 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 repealed Companies Ordinance, 1984 and the directives issued by SBP. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 and directives issued by the SBP have been followed.
- 3.2 The Companies Ordinance, 1984 was repealed by enactment of the Companies Act, 2017 on May 30, 2017. SECP vide its Circular No. 17 of 2017 and press release of July 20, 2017, has clarified that all those companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017 can prepare financial statements in accordance with the provisions of repealed Companies Ordinance, 1984. The Companies Act. 2017 requires enhanced disclosures and has also enhanced the definition of related parties.
- 3.3 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, 2016. Standards which became effective during the period and related to financial statements of the Company had no impact in the current period financial statements.

#### 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, 2016.

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 expenses. 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, 2016.

September 30, December 31, 2017 2016 (Un-audited) (Audited)

December 31 2016

period ended

September 30,

period ended

September 30,

(Rupees in '000)

400,290	2,632,880
400,290	2,632,880

#### LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)

6.1	Securities held as collateral	Note		September 30, 2017			December 31, 2016	i
	against lendings to financial		Held by the	Further given	Total	Held by the	Further given	Total
	institutions		Company	as collateral		Company	as collateral	
					Rupees i	in '000		
	Market treasury bills	6.1.1	400,290	-	400,290	2,632,880	-	2,632,880

6.1.1 This represents lending to financial institutions against purchase and resale of government securities. Market value of this security as at September 30, 2017 amounted to Rs. 399.392 (December 31, 2016: 2,622.955) million. The markup rate on this lendings is 5.70 (December 31, 2016: 5.75 and 5.85) percent per annum with maturity in two days (December 31, 2016: three and six days) .

September 30, 2017

#### INVESTMENTS 7.

7.2

#### 7.1 Investments by type

			September 30, 2017			December 31, 201	0		
			(Un-audited)			(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		150,859	-	150,859	52,285	-	52,285		
Available for sale securities									
Market treasury bills		5,473,205	-	5,473,205	2,092,831	-	2,092,831		
Pakistan investment bonds		896,498	-	896,498	894,785	-	894,785		
Shares of listed companies		3,158,979	-	3,158,979	2,853,753	-	2,853,753		
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 / term finance certificates		848,204	-	848,204	857,464	-	857,464		
Unlisted term finance certificates		412,813	-	412,813	527,253	-	527,253		
		10,954,954	-	10,954,954	7,391,341	-	7,391,341		
Associates	7.2	13,849,092	-	13,849,092	12,807,290	-	12,807,290		
		24,954,905	-	24,954,905	20,250,916	-	20,250,916		
Provision for diminution / impairment in the value of investments		(428,880)		(428,880)	(381,565)	-	(381,565)		
Total investments - net of provisions		24,526,025	-	24,526,025	19,869,351	-	19,869,351		
Surplus on revaluation of 'held for trading' securities Surplus on revaluation of		1,469	-	1,469	2,330	-	2,330		
'available for sale' securities		718,990	-	718,990	1,334,488	-	1,334,488		
<b>Total investments</b>		25,246,484	-	25,246,484	21,206,169	-	21,206,169		
						Nine months	Nine months		

	2017	2016
	(Un-audited)	(Un-audited)
	(Rupees	in '000)
Movement in investments in associates		
Investments at beginning of the period	12,807,290	10,194,397
Disposal of investment in associate	-	(169,074)
Investment in associates	902,465	98,877
Share of gain on bargain purchase by an associate	-	92,001
Share in (deficit) / surplus on revaluation / reserves of associates	(441,912)	271,867
Share in remeasurement of defined benefits plans of associates - net of deferred tax	(11,909)	(7,411)
Share of profit from associates recognized in profit and loss account	1,632,518	2,228,659
Provision of an associate	-	-
Dividends received from associates	(1,039,360)	(1,039,918)
Investments at end of the period	13,849,092	11,669,398

- The cost of investment in associates as at September 30, 2017 amounted to Rs. 2,895 million (December 31, 2016: Rs. 1,992 million). Share in results of associates recorded under equity method of accounting net of dividend and income taxes amounted to Rs. 292 million (September 30, 2016: Rs. 1,033 million).
- The Company's associates and its holding in associates are the same as provided in the Financial Statements for the year ended December 31, 2016, except for Al-7.4 Meezan Mutual Fund's holding.

			September 30,	December 31,
			2017	2016
		Note	(Un-audited)	(Audited)
8.	ADVANCES		(Rupees in '000)	
	In Pakistan			
	Advances		3,477,687	5,035,049
	Net investment in finance leases		683,075	825,092
			4,160,762	5,860,141
	Provision for non-performing advances	8.2	(1,156,537)	(1,437,645)
	Advances - net of provision		3,004,225	4,422,496

**8.1** Advances include Rs. 1,157.362 million (December 31, 2016: Rs. 1,546.078 million) which have been placed under non-performing status as detailed below:

	performing status as detailed below.						
		September 30, 2017 (Un-Audited)					
	Category of classification	Domestic	Overseas	Total	Provision	Provision	
				(Pupos in	Required 000)	Held	
	Substandard			(Kupees III	000)		
	Doubtful	1,647	-	1,647	822	822	
	Loss	1,155,715	_	1,155,715	1,155,715	1,155,715	
	LOSS	1,157,362		1,157,362	1,156,537	1,156,537	
		1,10.,002		1,107,002	1,120,00		
			De	cember 31, 2016	6 (Audited)		
	Category of classification	Domestic	Overseas	Total	Provision	Provision	
					Required	Held	
				(Rupees in '	000)		
	Substandard	-	-	-	-	-	
	Doubtful	216,863	-	216,863	108,430	108,430	
	Loss	1,329,215	<u> </u>	1,329,215	1,329,215	1,329,215	
		1,546,078		1,546,078	1,437,645	1,437,645	
					Nine months	Year	
					period ended	ended	
8.2	Particulars of provision for non-perform	ning advances - sn	ecific		September 30,	December 31,	
0.2	raticulars of provision for non-perform	ing auvances - sp	cenic		2017	2016	
					(Un-audited)	(Audited)	
					(Rupees i	,	
					(Tapes)		
	Opening balance				1,437,645	1,504,586	
	Charge for the period / year				(201 100)	(66.041)	
	Reversals for the period / year				(281,108)	(66,941)	
	Amounts written off against provisions				(281,108)	(00,941)	
	Closing balance				1,156,537	1,437,645	
	Closing Calaire					1,107,010	
9.	BORROWINGS FROM FINANCIAL II	NCTITITIONS			September 30,	December 31,	
<i>)</i> .	BORROWINGS FROM FINANCIAL II	NSTITUTIONS		Note	2017	2016	
	Secured			rvoie	(Un-audited)	(Audited)	
	Secureu				(Rupees i	. ,	
	Borrowing from SBP				(zzapos)	/	
	Under Long Term Finance Facility - (LTI	FF)		9.1	1,585,358	1,656,829	
	Under Finance Facility for Storage of Ag	ricultural Produce (	(FFSAP)	9.2	1,647	4,935	
	Term Finance Facility			9.3	1,000,000	1,000,000	
					2,587,005	2,661,764	

- 9.1 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 two years with mark-up payable at maximum of 5 percent per annum. SBP allocates an overall yearly limit under the facility to individual Participating Financial Institution (PFI). The sanctioned limit for the company was Rs. 1,000 million.
- 9.2 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 for the company was Rs. 500 million.
- 9.3 The Company has availed Long Term Finance facility from a bank. The interest rate on this facility is 6.65 percent per annum (December 31, 2016: 6.61 percent per annum) with maturity on June 25, 2018 (December 31, 2016: June 25, 2018).

		Note	September 30,	December 31,
10.	DEPOSITS AND OTHER ACCOUNTS		2017	2016
			(Un-audited)	(Audited)
			(Rupee	s in '000)

10.1 3,600 Certificates of investment (COIs) 3,650

10.1 The profit rates on these COIs are 5.75 and 5.80 (December 31, 2016: 5.65 and 5.70) percent per annum. The COIs are due for maturity on December 05, 2017 and September 21, 2018 (December 31, 2016: May 08, 2017 and September 21, 2017).

11.	SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES - NET OF TAX	September 30, 2017 (Un-audited) (Rupees	December 31, 2016 (Audited) in '000)
	Federal government securities	68,851	100,755
	Shares of listed companies	623,058	1,204,593
	Listed / unlisted / TFCs / sukuk	27,080	29,142
	Share of surplus on revaluation of investments of associates	276,815	718,727
		995,804	2,053,217
	Deferred Tax	(86,575)	(188,217)
		909,229	1,865,000

#### 12. CONTINGENCIES AND COMMITMENTS

#### 12.1 Other contingencies

The Income Tax Department has amended the deemed assessment orders for the tax years from 2003 to 2016, raising a tax demand of Rs. 3,130 million, mainly due to additions in respect of allocation of expenses against dividend income subject to tax at reduced rate / Final Tax Regime and capital gains.

In such orders, the taxation authority has not accepted the Company's contention on the matter of allocation of expenses on exempt capital gains and dividend income. The total additions made in tax years 2003 to 2016 under this head amounts to Rs 7,214 million.

In tax year 2003, the Appellate Tribunal Inland Revenue (ATIR) had directed the tax authorities for the allocation to be made taking into account the 'cost of investment' rather than 'gross turnover'. Subsequently, the action of the Taxation Officer in refusing to issue the appeal effect in view of the departmental appeal before the High Court was contested in appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] for application of section 124A of the Income Tax Ordinance, 2001 (Ordinance). The CIR(A) adjudged the matter in favour of the Company directing the Officer to give effect to the directions which have been maintained by the ATIR in the subsequent departmental

Relying on the above decision of ATIR, the CIR(A) through orders dated September 23, 2011, November 30, 2012 and June 15, 2015 for tax years 2004 to 2007, tax year 2010 and tax years 2011 to 2013 respectively, directed for the application of provision of section 124A of the Ordinance. 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 department has preferred appeals against the order of the CIR(A) in the years 2004 to 2007 and 2010 to 2013 which are currently pending before the ATIR.

Appeal effect orders for the years 2003 to 2007 and 2010 have been issued. These are to attain finality once the departmental appeals before the ATIR / High Court as the case may be, are decided. However, in the tax order for the year 2003, the Officer has not followed the directions of the CIR(A) and allocated expenses on the basis of turnover for which the Company has preferred an appeal which has been heard. The order of the said appeal is pending.

Further, the Company had made representation before Federal Board of Revenue for necessary clarification and has also referred the above matter to Alternate Dispute Resolution Committee, a mechanism available to provide an opportunity to taxpayers for an easy and efficient resolution of disputes. The same is still pending.

The Company has made provision of Rs. 1,317 million against the demand for the abovementioned years based on cost of investment. The management is confident that the ultimate outcome of the appeals would be in favor of the Company inter alia on the basis of the advice of the tax consultants and the relevant law and the facts.

12.2	Other commitments	September 30, 2017	December 31, 2016
		(Un-audited)	(Audited)
		(Rupees	in '000)
	Undisbursed sanctions for financial assistance in the form of	100.000	
	- equity participation	100,000	-
	- loans and advances	650,000	1,235,359
		750,000	1,235,359

#### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

#### 13.1 On balance sheet financial instruments

On balance sheet financial instrumer	ıts				September 30,	2017 (Un ou	ditad)			
	Held-for-	Available-for-	Held-to-	Loans and		Total	Level 1	Level 2	Level 3	Total
	trading	sale	maturity	receivables	liabilities					
					(Rupees	in '000)				
Financial assets measured at fair value										
Investments										
- Market treasury bills	-	5,472,544	-	-	-	5,472,544		5,472,544		5,472,544
- Pakistan investment bonds	-	966,144	-	-	-	966,144	2 (52 020	966,144		966,144
- Shares of listed companies	152,329	3,501,510	-	-	-	3,653,839	3,653,839	973 790		3,653,839
<ul> <li>Listed sukuk / term finance certificates</li> <li>Unlisted term finance certificates</li> </ul>	-	872,789 381,670	-	-	-	872,789 381,670		872,789 381,670		872,789 381,670
		,				,		, ,		
Financial assets not measured at fair val	ue									
Cash and balances with treasury banks	-	-	-	61,920	-	61,920				
Balances with other banks	-	-	-	8,093	-	8,093				
Investments										
- Investments in associates - listed	-	12,575,815	-	-	-	12,575,815	27,660,074	-	-	27,660,074
<ul> <li>Listed preference shares</li> </ul>	-	50,000	-	-	-	50,000				
- Shares in unlisted companies	-	540	-	-	-	540				
- Shares of unlisted associates	-	1,273,277	-	-	-	1,273,277				
Advances	-	-	-	3,004,225	-	3,004,225				
Other assets	-	-	-	48,890	-	48,890				
Financial liabilities not measured at fair	value									
Borrowings	-	-	-	-	(2,587,005)	(2,587,005)				
Deposits and other accounts	-	-	-	-	(3,600)	(3,600)				
Other liabilities	-	-	-	-	(394,542)	(394,542)				
	152,329	25,094,289	-	3,123,128	(2,985,147)	25,384,599				
					December 3	1, 2016 - (Audi	ted)			
	Held-for- trading	Available-for- sale		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
					(Rupees	in '000)				
Financial assets measured at fair value										
Investments Morket tracepure hills		2.002.214				2 002 214	_	2.002.214		2.002.214
- Market treasury bills	-	2,092,214	-	-	-	2,092,214	-	2,092,214	-	2,092,214
- Pakistan investment bonds	- 54 616	996,156 3,814,026	-	-	-	996,156 3,868,642	3,868,642	996,156	-	996,156 3,868,642
- Shares of listed companies	54,616	44,200	-	-	-	44,200		-	-	44,200
<ul> <li>Listed preference shares</li> <li>Listed sukuk / term finance certificates</li> </ul>	-	881,375	-	-	-	881,375	44,200	881,375	-	881,375
- Unlisted term finance certificates	_	498,845	-	_	_	498,845	-	498,845	-	498,845
		170,015				170,013		170,013		170,013
Financial assets not measured at fair val	ue			C1 00°		61.005				
Cash and balances with treasury banks	-	-	-	61,995	-	61,995				
Balances with other banks	-	-	-	16,691	-	16,691				
Investments - Investments in associates - listed		11 557 055					25 964 522			25,864,523
		11,557,055 17,446				11,557,055 17,446	25,864,523	-	-	23,604,323
<ul> <li>Shares in unlisted companies</li> <li>Shares of unlisted associates</li> </ul>	-	1,250,235	-	-	-	1,250,235				
- Shares of unlisted associates Advances	-	1,230,233	-	4,422,496	-	4,422,496				
Other assets	-	-	-	93,177	-	93,177				
Financial liabilities not measured at fair	value									
Borrowings	-	_	_	_	(2,661,764)	(2,661,764)				
Deposits and other accounts	_	_	_	_	(3,650)	(3,650)				
Other liabilities	-	-	-	-	(414,492)	(414,492)				
	54,616	21,151,552		4,594,359	(3,079,906)	22,720,621				
	.,,,,,,	,,2		,, , , , ,	(- , - , - , - , - , - )	,,				

The fair value of financial assets and liabilities not carried at fair value are not significantly different from their carrying values since assets and liabilities are either short term in nature or in case of loans are frequently repriced.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

## 14. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

Corporate

	Finance	<b>,</b>	Banking	Markets		
			(Rupees in	(000)		
Nine months period ended September 30, 2	017 - (Un-audited)					
Total income - gross	226,741	341,241	1,327	1,860,673	10,705	2,440,687
Total mark-up / return / interest expense	(78,153)	(190)	<b>-</b>	-	-	(78,343
Segment provision / impairment /	264.202			(1.40.020)		100.00
unrealised gain / losses	264,202	(190)	-	(140,939) (140,939)	-	123,263 44,920
Net operating income	186,049 412,790	341,051	1,327	1,719,734	10,705	2,485,607
Administrative expenses and	412,770	341,031	1,527	1,717,754	10,703	2,405,007
other charges						(355,208
Profit before taxation					•	2,130,399
Nine months period ended September 30, 2	017 (Un audited)					
Segment assets - net	5,474,830	6,919,904		16,294,574	425,085	29,114,393
Segment non-performing loans	1,157,362	-	_	-	-	1,157,362
Segment provision required and held	1,156,537	-	-	-	-	1,156,537
Segment liabilities	2,668,913	3,652	-	4,283	1,767,330	4,444,178
Segment return on net assets (ROA) % *	4.98%	6.61%		15.91%	3.36%	-
	3.84%	5.59%	-	-	-	-
Segment cost of funds (%) *	eturn / cost has been	annualized for ra		Capital	Others	Total
Segment cost of funds (%) *  * Based on daily average assets and funds. Re	Corporate Finance	annualized for ra	Investment Banking	Capital Markets	Others	
Segment cost of funds (%) *  * Based on daily average assets and funds. Re	Corporate Finance	annualized for ra	Investment Banking	Markets	Others	
Segment cost of funds (%) *  * Based on daily average assets and funds. Re  Nine months period ended September 30, 2	Corporate Finance	annualized for ra	Investment Banking (Rupees in	Markets (000)		
Segment cost of funds (%) *  * Based on daily average assets and funds. Re  Nine months period ended September 30, 2  Total income - gross	Corporate Finance	annualized for ra Treasury 464,498	Investment Banking	Markets		3,478,935
Segment cost of funds (%) *  * Based on daily average assets and funds. Re  Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense	Corporate Finance	annualized for ra	Investment Banking (Rupees in	Markets (000)		3,478,935
Segment cost of funds (%) *  * Based on daily average assets and funds. Re  Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment /	Corporate Finance	annualized for ra Treasury 464,498	Investment Banking (Rupees in	Markets 000) 2,607,901		3,478,935
Segment cost of funds (%) *  * Based on daily average assets and funds. Re	Corporate Finance  .016 - (Un-audited)	Treasury  464,498 (142,487)	Investment Banking (Rupees in	Markets 000) 2,607,901 - (36,683)		3,478,935 (216,829
* Based on daily average assets and funds. Re  Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment /  unrealised losses	Corporate Finance	annualized for ra Treasury 464,498	Investment Banking (Rupees in	Markets 000) 2,607,901		3,478,935 (216,829 19,582 (197,247
* Based on daily average assets and funds. Re  *Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income	Corporate Finance  .016 - (Un-audited)	Treasury  464,498 (142,487)  - (142,487)	Investment Banking (Rupees in  1,500	Markets 000)  2,607,901  - (36,683) (36,683)	20,033	3,478,935 (216,829 19,582 (197,247
* Based on daily average assets and funds. Re  * Based on daily average assets and funds. Re  Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income  Administrative expenses and other charges	Corporate Finance  .016 - (Un-audited)	Treasury  464,498 (142,487)  - (142,487)	Investment Banking (Rupees in  1,500	Markets 000)  2,607,901  - (36,683) (36,683)	20,033	3,478,935 (216,829 19,582 (197,24) 3,281,688
Segment cost of funds (%) *  * Based on daily average assets and funds. Re  Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income  Administrative expenses and other charges	Corporate Finance  .016 - (Un-audited)	Treasury  464,498 (142,487)  - (142,487)	Investment Banking (Rupees in  1,500	Markets 000)  2,607,901  - (36,683) (36,683)	20,033	3,478,935 (216,829 19,582 (197,247 3,281,688 (382,864
* Based on daily average assets and funds. Re  * Based on daily average assets and funds. Re  *Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income  Administrative expenses and other charges  Profit before taxation	Corporate Finance  .016 - (Un-audited)	Treasury  464,498 (142,487)  - (142,487)	Investment Banking (Rupees in  1,500	Markets 000)  2,607,901  - (36,683) (36,683)	20,033	3,478,935 (216,829 19,582 (197,24) 3,281,688 (382,864
* Based on daily average assets and funds. Re  * Based on daily average assets and funds. Re  * Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment /  unrealised losses  Net operating income  Administrative expenses and	Corporate Finance  .016 - (Un-audited)	Treasury  464,498 (142,487)  - (142,487)	Investment Banking (Rupees in  1,500	Markets 000)  2,607,901  - (36,683) (36,683)	20,033	3,478,935 (216,829 19,582 (197,247 3,281,688 (382,864 2,898,824
* Based on daily average assets and funds. Re  * Based on daily average assets and funds. Re  * Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income  Administrative expenses and other charges  Profit before taxation  Nine months period ended September 30, 2  Segment assets - net  Segment non-performing loans	Corporate Finance  016 - (Un-audited) 385,003 (74,342) 56,265 (18,077) 366,926	464,498 (142,487) - (142,487) 322,011	Investment Banking (Rupees in  1,500	Markets (000)  2,607,901  (36,683)  (36,683)  2,571,218	20,033	3,478,935 (216,829 19,582 (197,247 3,281,688 (382,864 2,898,824 27,336,613 1,560,082
* Based on daily average assets and funds. Re  * Based on daily average assets and funds. Re  * Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income  Administrative expenses and other charges  Profit before taxation  Nine months period ended September 30, 2  Segment assets - net  Segment non-performing loans  Segment provision required and held	Corporate Finance  .016 - (Un-audited)	464,498 (142,487) - (142,487) 322,011	Investment Banking (Rupees in  1,500	Markets (000)  2,607,901  (36,683)  (36,683)  2,571,218	20,033 - - 20,033 546,992 - -	3,478,935 (216,829 19,582 (197,247 3,281,688 (382,864 2,898,824 27,336,613 1,560,082 1,448,320
* Based on daily average assets and funds. Re  *Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income  Administrative expenses and other charges  Profit before taxation  Nine months period ended September 30, 2  Segment assets - net  Segment non-performing loans  Segment provision required and held  Segment liabilities	Corporate Finance  016 - (Un-audited) 385,003 (74,342) 56,265 (18,077) 366,926  016 - (Un-audited) 7,277,898 1,560,082 1,448,320 2,478,527	464,498 (142,487) - (142,487) 322,011	Investment Banking (Rupees in  1,500	Markets 000)  2,607,901  (36,683)  (36,683)  2,571,218  14,253,412  - 108,583	20,033 - - 20,033 20,033 546,992 - 1,443,621	
* Based on daily average assets and funds. Re  * Based on daily average assets and funds. Re  * Nine months period ended September 30, 2  Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income  Administrative expenses and other charges  Profit before taxation  Nine months period ended September 30, 2  Segment assets - net  Segment non-performing loans  Segment provision required and held	Corporate Finance  .016 - (Un-audited)	464,498 (142,487) - (142,487) 322,011	Investment Banking (Rupees in  1,500  1,500  1,500	Markets (000)  2,607,901  (36,683)  (36,683)  2,571,218	20,033 - - 20,033 546,992 - -	3,478,935 (216,829 19,582 (197,247 3,281,688 (382,864 2,898,824 27,336,613 1,560,082 1,448,320

Treasury

Investment

Capital

Others

Total

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

#### 15. 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.

commercial terms and at market rates.	Nine months period ended September 30, 2017 (Un-audited) (Rupees	Nine months period ended September 30, 2016 (Un-audited) in '000)
Expenses charged to: - associates	6,993	20,180 135
- other related party  Expenses charged by:	3,337	
- associates - other related party	338 18,004	578 17,659
Dividend income from associates	1,039,360	1,039,918
Mark-up earned on bank deposit with an associate	225	186
Mark-up earned on loans and advances: - key management personnel Mark-up expense on COIs of a related party:	387	326
- other related party	107	127
Contribution made to provident fund	12,988	11,678
	September 30, 2017 (Un-audited) (Rupees	December 31, 2016 (Audited) in '000)
Loans and advances to key management personnel Balance as at January 1, Disbursement during the period / year Addition during the period / year Recovery during the period / year	2017 (Un-audited) (Rupees 23,553 600 919 (14,870)	2016 (Audited) in '000) 10,350 21,600 - (8,397)
Balance as at January 1, Disbursement during the period / year Addition during the period / year	2017 (Un-audited) (Rupees 23,553 600 919	2016 (Audited) in '000) 10,350 21,600
Balance as at January 1, Disbursement during the period / year Addition during the period / year Recovery during the period / year	2017 (Un-audited) (Rupees 23,553 600 919 (14,870) (13,351)	2016 (Audited) in '000) 10,350 21,600 - (8,397) 13,203
Balance as at January 1, Disbursement during the period / year Addition during the period / year Recovery during the period / year  Balance as at	2017 (Un-audited) (Rupees 23,553 600 919 (14,870) (13,351) 10,202	2016 (Audited) in '000) 10,350 21,600 - (8,397) 13,203 23,553
Balance as at January 1, Disbursement during the period / year Addition during the period / year Recovery during the period / year  Balance as at  Bank balances with an associate - Meezan Bank	2017 (Un-audited) (Rupees 23,553 600 919 (14,870) (13,351) 10,202	2016 (Audited) in '000) 10,350 21,600 - (8,397) 13,203 23,553 13,717
Balance as at January 1, Disbursement during the period / year Addition during the period / year Recovery during the period / year  Balance as at  Bank balances with an associate - Meezan Bank  Mark-up receivable on bank deposit with an associate - Meezan Bank  Deposits / COIs from:	2017 (Un-audited) (Rupees 23,553 600 919 (14,870) (13,351) 10,202 6,766	2016 (Audited) in '000) 10,350 21,600 - (8,397) 13,203 23,553 13,717 30

#### Key management personnel

Key management personnel include the Managing Director, Chief Financial Officer, Head of Risk Management, Head of Capital Markets & Treasury, Head of Compliance, Head of Internal Audit and Head of Human Resources. Their salaries and other benefits amount to Rs. 56.97 million (September 30, 2016: Rs. 61.350 million) and staff retirement benefits amount to Rs. 8.15 million (September 30, 2016: Rs. 4.321 million).

#### 16. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue in the Board of Directors meeting held on November 08, 2017.

#### 17. GENERAL

- **17.1.** 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.
- 17.2. The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

Chief Financial Officer

Chief Executive

Director

Chief Executive