



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS


For the nine months period ended September 30, 2010

Pakistan Kuwait Investment Company (Private) Limited
 Consolidated Interim Statement of Financial Position
 As at September 30, 2010

	Note	September 30, 2010 (Un - Audited)	December 31, 2009 (Audited) (Rupees in '000)
ASSETS			
Cash and balances with treasury banks		56,027	92,512
Balances with other banks		49,862	1,842,834
Lendings to financial institutions		2,892,479	800,000
Investments	6	16,800,308	18,930,038
Advances	7	4,060,606	3,607,442
Operating fixed assets		164,812	151,366
Deferred tax assets		115,846	154,595
Other assets		317,808	323,993
		24,457,748	25,902,780
LIABILITIES			
Bills payable		-	-
Borrowings	8	10,294,931	10,377,872
Deposits and other accounts	9	2,666,334	4,075,951
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		260,211	693,414
		13,221,476	15,147,237
NET ASSETS		11,236,272	10,755,543
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		2,884,894	2,884,894
Accumulated profit		2,394,322	1,649,279
		11,279,216	10,534,173
(Deficit) / surplus on revaluation of 'available-for-sale' securities - net of tax	10	(42,944)	221,370
		11,236,272	10,755,543

CONTINGENCIES AND COMMITMENTS

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


 Deputy General Manager / Chief Financial Officer


 Chief Executive


 Director



 Director

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

For the nine months period ended September 30, 2010

	Three months period ended September 30 2010	Nine months period ended September 30 2010	Three months period ended September 30 2009	Nine months period ended September 30 2009
----- (Rupees in '000) -----				
Mark-up / return / interest earned	572,952	1,595,910	448,573	1,253,281
Mark-up / return / interest expensed	421,063	1,114,634	319,699	777,344
Net mark-up / interest income	151,889	481,276	128,874	475,937
Provision / (reversal) against non-performing advances - net	5,429	(4,995)	62,454	340,505
Provision for diminution / impairment in the value of investments	38,219	61,764	516	166,329
Bad debts written off directly	-	-	-	-
	43,648	56,769	62,970	506,834
Net mark-up / interest income / (expense) after provisions	108,241	424,507	65,904	(30,897)
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	2	41	301	744
Dividend income	23,119	106,386	37,162	85,069
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities - net	54,440	233,212	328,727	715,516
Unrealised loss on revaluation of 'held-for-trading' securities	-	-	(6,220)	(7,373)
Share in results of associates - net	156,882	445,012	236,278	663,629
Other income	8,026	18,122	4,068	14,100
Total non mark-up / interest income	242,469	802,773	600,316	1,471,685
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	94,076	253,772	67,844	195,877
Other provisions / write offs	-	-	-	-
Other charges	-	1,149	-	203
Total non mark-up / interest expenses	94,076	254,921	67,844	196,080
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	256,634	972,359	598,376	1,244,708
Taxation				
- Current	14,767	152,135	99,892	314,661
- Prior years	-	-	-	-
- Deferred	58,567	75,181	(38,419)	(163,237)
	73,334	227,316	61,473	151,424
PROFIT AFTER TAXATION	183,300	745,043	536,903	1,093,284
Accumulated profit / (loss) brought forward	2,211,022	1,649,279	(2,586,499)	(3,142,880)
Accumulated profit / (loss) carried forward	2,394,322	2,394,322	(2,049,596)	(2,049,596)
----- (Rupees) -----				
Basic and diluted earning per share (On share of Rs. 25,000 each)	764	3,104	2,237	4,555

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


 Deputy General Manager / Chief Financial Officer


 Director



 Chief Executive

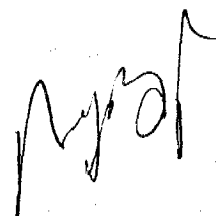

 Director

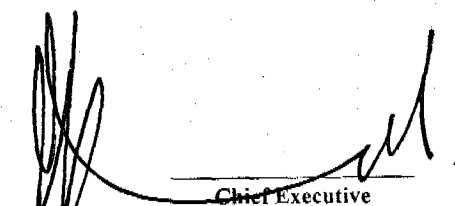
Pakistan Kuwait Investment Company (Private) Limited
 Consolidated Interim Condensed Statement of Changes in Equity - (Un-audited)
 For the nine months period ended September 30, 2010

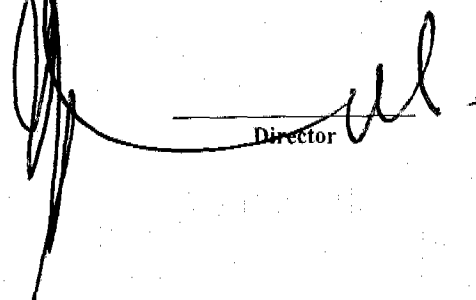
	Share capital	Reserves		Unappropriated profit/(Accumulated loss)	Total
		Statutory	Revenue		
(Rupees in '000)					
Balance as at January 01, 2009	6,000,000	3,288,822	3,158,890	(3,142,880)	9,304,832
Profit for the nine months period ended September 30, 2009	-	-	-	1,093,284	1,093,284
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(2,049,596)	10,398,116
Transfer from contingencies reserve to accumulated loss	-	-	(274,837)	274,837	-
Transfer from marketable and government securities reserve to accumulated loss	-	-	(2,884,053)	2,884,053	-
Balance as at September 30, 2009	<u>6,000,000</u>	<u>3,288,822</u>	<u>-</u>	<u>1,109,294</u>	<u>10,398,116</u>
Balance as at January 01, 2010	6,000,000	2,884,894	-	1,649,279	10,534,173
Profit for the nine months period ended September 30, 2010	-	-	-	745,043	745,043
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	2,394,322	11,279,216
Balance as at September 30, 2010	<u>6,000,000</u>	<u>2,884,894</u>	<u>-</u>	<u>2,394,322</u>	<u>11,279,216</u>

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


 Deputy General Manager / Chief Financial Officer


 Director


 Chief Executive



 Director

Pakistan Kuwait Investment Company (Private) Limited
Consolidated Interim Condensed Cash Flow Statement (Un-audited)

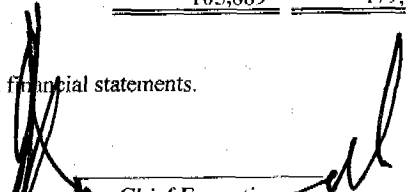
For the nine months period ended September 30, 2010

	September 30, 2010	September 30, 2009
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	972,359	1,244,708
Less: Dividend income	139,935	85,069
	<u>832,424</u>	<u>1,159,639</u>
Adjustments for:		
Depreciation	11,180	8,648
Amortization	190	-
(Reversal) / Provision against non-performing advances - net	(4,995)	340,505
Provision for diminution / impairment in the value of investments	61,764	166,329
Gain on sale of operating fixed assets	(4,395)	(766)
Share in results of associates - net	(411,463)	(655,910)
Unrealised loss on revaluation of 'held-for-trading' securities	-	7,373
	<u>(347,719)</u>	<u>(133,821)</u>
	484,705	1,025,818
Increase in operating assets		
Lendings to financial institutions	(2,092,479)	(3,434,493)
'Held-for-trading' securities	239,209	(82,164)
Advances	(448,169)	(107,462)
Others assets (excluding advance taxation)	44,150	(167,729)
	<u>(2,257,289)</u>	<u>(3,791,848)</u>
Increase in operating liabilities		
Borrowings from financial institutions	(82,941)	2,426,681
Deposits	(1,409,617)	4,622,371
Other liabilities (excluding current taxation)	(133,109)	48,432
	<u>(1,625,667)</u>	<u>7,097,484</u>
	(3,398,251)	4,331,454
	(453,595)	(530,901)
	<u>(3,851,846)</u>	<u>3,800,553</u>
Income tax paid		
Net cash (outflows) / inflows from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in 'available-for-sale' securities / subsidiaries	1,936,127	(6,497,176)
Dividend income	106,702	68,923
Investments in operating fixed assets	(25,515)	(13,827)
Sale proceeds from sale of operating fixed assets	5,075	2,385
Net cash inflow / (outflow) from investing activities	<u>2,022,389</u>	<u>(6,439,695)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Net cash (outflow) / inflow from financing activities	<u>-</u>	<u>-</u>
Decrease in cash and cash equivalents	(1,829,457)	(2,639,142)
Cash and cash equivalents at beginning of the period	1,935,346	2,818,281
Cash and cash equivalents at end of the period	<u>105,889</u>	<u>179,139</u>

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Deputy General Manager / Chief Financial Officer


Director


Chief Executive

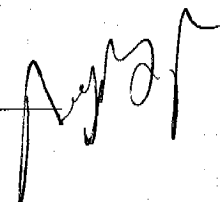

Director


Pakistan Kuwait Investment Company (Private) Limited
Consolidated Interim Condensed Statement of Comprehensive Income (Un-audited)
For the nine months period ended September 30, 2010

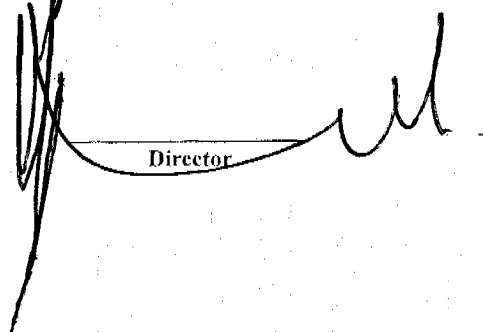
	Three months period ended September 30, 2010	Nine months period ended September 30, 2010	Three months period ended September 30, 2009	Nine months period ended September 30, 2009
	----- (Rupees in '000) -----			
Profit for the period	183,300	745,043	536,903	1,093,284
Other comprehensive income				
Comprehensive income transferred to equity	<u>183,300</u>	<u>745,043</u>	<u>536,903</u>	<u>1,093,284</u>
Component of comprehensive income not transferred to equity				
(Deficit) / surplus on revaluation of 'available-for-sale' securities- net of tax	(14,346)	(264,314)	169,513	303,163
Total comprehensive income	<u><u>168,954</u></u>	<u><u>480,729</u></u>	<u><u>706,416</u></u>	<u><u>1,396,447</u></u>

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


 Deputy General Manager / Chief Financial Officer


 Director


 Chief Executive


 Director

Pakistan Kuwait Investment Company (Private) Limited
Notes to the Consolidated Interim Condensed Financial Statements (Un-audited)
For the nine months period ended September 30, 2010

1. STATUS AND NATURE OF BUSINESS

Pakistan Kuwait Investment Company (Private) Limited ("the holding company") was incorporated in Pakistan as a Private Limited Company on March 17, 1979. The registered office is situated at 4th Floor, Block 'C', Finance and Trade Centre, Shahrāh-e-Faisal, Karachi. The holding company is a 50:50 joint venture between the Governments of Pakistan and Kuwait. The objective of the holding company is to profitably promote industrial investments in Pakistan.

The Group comprises of the holding company and two 100% owned subsidiaries, First Choice Securities Limited (FCSL) and Pak Kuwait Financial Services Limited (PKFSL) and associates namely, Meezan Bank Limited, Al Meezan Investment Management Limited, Al Meezan Mutual Fund Limited, Meezan Balance Fund, Plexus (Private) Limited, Pak Kuwait Takaful Company Limited, The General Tyre and Rubber Company of Pakistan Limited, Falcon Greenwood (Private) Limited, National Commodity Exchange Limited, and National Clearing Company Limited.

2. BASIS OF PRESENTATION

These consolidated interim condensed financial statements have been prepared based on the format prescribed by the State Bank of Pakistan (SBP) vide BSD Circular Letter No. 2, dated 12 May 2004, BSD Circular letter No. 07, dated 20 April 2010 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these consolidated interim condensed financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2009.

3. STATEMENT OF COMPLIANCE

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

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for Banks and Development Financial Institutions (DFIs) in Pakistan. Accordingly, the requirements of these standards have not been considered in the preparation of these interim condensed financial statements. However, investments have been classified and valued in accordance with the requirement of various circulars issued by the SBP.

4. ACCOUNTING POLICIES

The accounting policies adopted for the purpose of these consolidated interim condensed financial statements are the same as those applied in preparation of annual financial statements for the year ended December 31, 2009.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2009.

6. INVESTMENTS

6.1 Investments by type

	September 30, 2010			December 31, 2009		
	Held by the Group	Given as collateral	Total	Held by the Group	Given as collateral	Total
	(Rupees in '000)					
Held for trading securities						
Shares of listed companies	-	-	-	189,068	-	189,068
Pakistan Investment Bonds	-	-	-	49,202	-	49,202
Available-for-sale securities						
Market treasury bills	2,233,357	6,574,570	8,807,927	2,394,775	8,077,406	10,472,181
Pakistan Investment Bonds	1,624,356	-	1,624,356	1,670,908	-	1,670,908
Shares of listed companies	1,763,009	-	1,763,009	1,866,808	-	1,866,808
Shares of unlisted companies	120,163	-	120,163	119,968	-	119,968
Listed preference shares	93,399	-	93,399	93,489	-	93,489
Listed term finance certificates	153,634	-	153,634	364,765	-	364,765
Unlisted term finance certificates	136,090	-	136,090	136,111	-	136,111
Associates	4,494,656	-	4,494,656	4,111,632	-	4,111,632
Total investments - at cost	10,618,664	6,574,570	17,193,234	10,996,726	8,077,406	19,074,132
Less: Provision for diminution / impairment in the value of investments	(281,600)	-	(281,600)	(306,017)	-	(306,017)
Total investments - net of provisions	10,337,064	6,574,570	16,911,634	10,690,709	8,077,406	18,768,115
Surplus on revaluation of 'held-for-trading' securities	-	-	-	938	-	938
(Deficit) / surplus on revaluation of 'available-for-sale' securities	(73,451)	(37,875)	(111,326)	175,002	(14,017)	160,985
Total investments	10,263,613	6,536,695	16,800,308	10,866,649	8,063,389	18,930,038

6.2 Investments by segments

	September 30, 2010	December 31, 2009
	(Rupees in '000)	
Government securities	10,292,886	12,192,291
Quoted securities	3,712,789	5,970,392
Unquoted securities	576,837	767,355
	14,582,512	18,930,038

7 ADVANCES

In Pakistan

Advances	3,989,554	3,744,176
Net investment in finance leases	1,461,713	1,258,922
	5,451,267	5,003,098
Provision for non-performing advances	(1,390,661)	(1,395,656)
Advances - net of provision	4,060,606	3,607,442

- 7.1 Advances include Rs.1,676.525 million (December 31, 2009: Rs 1,693.697 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	171,697	-	171,697	42,924	42,924
Doubtful	314,183	-	314,183	157,092	157,092
Loss	1,190,645	-	1,190,645	1,190,645	1,190,645
	<u>1,676,525</u>	<u>-</u>	<u>1,676,525</u>	<u>1,390,661</u>	<u>1,390,661</u>

7.2 Particulars of provision for non-performing advances - specific

September 30, December 31,
2010 2009
(Rupees in '000)

Opening balance	1,395,656	910,181
Charge for the period	39,092	598,945
Reversals	(44,087)	(71,719)
	(4,995)	527,226
Amounts written off against provisions	-	(41,751)
Closing balance	<u>1,390,661</u>	<u>1,395,656</u>

8. BORROWINGS FROM FINANCIAL INSTITUTIONS

September 30, December 31,
2010 2009
(Rupees in '000)

Secured		September 30, 2010	December 31, 2009
Repurchase agreement borrowings	8.1	6,554,527	8,067,577
Term finance certificates (TFCs)	8.2	1,250,000	1,450,000
Borrowing from SBP under LTF-EOP	8.3	218,136	300,412
Borrowing from SBP under LTFF	8.4	272,268	59,883
Murabaha	8.5	2,000,000	500,000
		<u>10,294,931</u>	<u>10,377,872</u>

- 8.1 The holding company has arranged borrowings from various financial institutions against sale and repurchase of government securities. The mark-up on these finances ranges between 12.02 to 12.75 (December 31, 2009: 12 to 12.35) percent per annum with maturity of six days to eighty four days (December 31, 2009 : four days to sixty three days).

- 8.2 This represents finance obtained through issue of privately placed term finance certificates of five years maturity. The mark-up is payable on quarterly basis and the principal is repayable in five equal semi annual instalments commencing 36 months from the date of disbursement. The facility is secured by first hypothecation charge ranking pari passu, on existing and future assets of the company. The rate of profit is 3 months KIBOR ask rate plus 65 (December 31, 2009: 65) basis points. As at September 30, 2010 the effective rate ranges between 13.34 to 13.47 (December 31, 2009: 13.02 and 13.24) percent per annum.

8.3 In order to facilitate the export oriented projects, SBP has introduced a scheme to refinance the fixed term loan availed from Banks / DFIs.

A one time swap facility option under the Scheme (LTF-EOP) has been extended to textile sector for import of plant and machinery, allowed by the State Bank of Pakistan through their SMED Circular No.19 of 2006. The loan is repayable over a maximum period of 7.5 years from the date of first disbursement with mark-up payable at maximum of 5 percent per annum.

The outstanding balance under swap arrangement amounts to Rs 218.136 million as at September 30, 2010 (December 31, 2009: Rs 300.412 million).

8.4 This represents Long Term Finance Facility 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. SBP allocates an overall yearly limit under the facility to individual PFI. The sanctioned limit was Rs. 500 million. The outstanding balance under the arrangements amounts to Rs. 272.268 million as at September 30, 2010 (December 31, 2009: 59.833 million)

8.5 Murabaha

This represents finance obtained from an Islamic bank. The profit rate on the finance is 12.25 (2009: 11.65) percent per annum and is maturing between October 4, 2010 and October 11, 2010 (December 31, 2009: 15 January 2010).

9. DEPOSITS AND OTHER ACCOUNTS

Certificates of investment (COIs) / deposits

Financial institutions

Others

9.1

September 30,
2010 December 31,
2009
(Rupees in '000)

	-	-
	2,666,334	4,075,951
	<u>2,666,334</u>	<u>4,075,951</u>

9.1 The profit rates on these COIs / deposits range between 11.50 to 13.65 (December 31, 2009: 11.40 to 14.00) percent per annum. The COIs are due for maturity between October 1, 2010 and March 22, 2015 (December 31, 2009: January 2, 2010 and May 5, 2012).

10. SURPLUS / (DEFICIT) ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES-NET OF TAX

September 30,
2010 December 31,
2009

(Rupees in '000)

Federal and provincial government securities

Quoted shares

Other securities

Share of surplus on revaluation held by associates

Deferred Tax

	(139,397)	(42,525)
	44,399	213,037
	7,181	(9,527)
		51,946
	<u>(87,817)</u>	<u>212,931</u>
	44,873	8,439
	<u>(42,944)</u>	<u>221,370</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Direct Credit Substitute

September 30, December 31,
2010 2009
(Rupees in '000)

Direct credit substitute – guarantee issued	-	1,550
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11.2 Other contingencies

The Income Tax Department has amended the deemed assessment orders for the tax year 2004 to 2009, raising a tax demand of Rs 1.412 billion, mainly due to additions in respect of allocation of expenses against exempt capital gains and dividend income subject to tax at reduced rate.

The tax department has not accepted the holding company's contention on the matter of allocation of expenses on exempt capital gains and dividend income for the tax years 2004 to 2009. The total additions made in tax years 2004 to 2009 under this head amounts to Rs 3.091 billion.

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

An appeal has been filed with the Commissioner of Income Tax (Appeals) for the tax years 2004 to 2009. The holding company has already made provision of Rs.618 million on that issue against the demand for the above-mentioned years based on cost of investment. The management is confident that the ultimate outcome of the appeal would be in favor of the holding company inter alia on the basis of the advice of the tax consultants and the relevant law and the facts.

11.3 Other commitments

September 30, December 31,
2010 2009
(Rupees in '000)

Commitment - acquisition of software	27,744	48,817
Undisbursed sanctions for financial assistance in the form of:		
- equity participation	16,220	166,220
- loans and advances	1,536,481	317,945
	1,580,445	532,982

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)					
Nine months period ended September 30, 2010						
Total income - gross	455,721	1,166,970	-	760,067	15,925	2,398,683
Total mark-up / return / interest expense	(153,278)	(961,356)	-	-	-	(1,114,634)
Segment provision / impairment / unrealised losses	4,642	-	-	(61,411)	-	(56,769)
	(148,636)	(961,356)	-	(61,411)	-	(1,171,403)
Net operating income	307,085	205,614	-	698,656	15,925	1,227,280
Administrative expenses and other charges						(254,921)
Profit before taxation						972,359
Nine months ended September 30, 2010						
Segment assets - net	4,743,557	13,463,166	-	5,619,452	631,573	24,457,748
Segment non-performing loans	1,676,525	-	-	-	-	1,676,525
Segment provision required and held	1,390,661	-	-	-	-	1,390,661
Segment liabilities	1,844,001	11,304,873	-	-	72,602	13,221,476
Segment return on net assets (ROA) % *	13.67%	12.34%	-	13.22%	2.24%	-
Segment cost of funds (%) *	11.92%	12.00%	-	-	-	-

* Based on daily average assets and funds.

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
	(Rupee in '000)					
Nine months period ended September 30, 2009						
Total income - gross	301,472	968,713	168	1,450,142	11,844	2,732,339
Total mark-up / return / interest expense	(199,617)	(577,727)	-	-	-	(777,344)
Segment provision / impairment / unrealised gains	(313,321)	(3,398)	-	(197,488)	-	(514,207)
	(512,938)	(581,125)	-	(197,488)	-	(1,291,551)
Net operating (loss) / income	(211,466)	387,588	168	1,252,654	11,844	1,440,788
Administrative expenses and other charges						(196,080)
Profit before taxation						1,244,708
Year ended December 31, 2009						
Segment assets - net	4,584,710	14,972,506	-	5,678,006	667,558	25,902,780
Segment non-performing loans	1,693,697	-	-	-	-	1,693,697
Segment provision required and held	1,395,656	-	-	-	-	1,395,656
Segment liabilities	1,931,927	12,757,835	-	-	457,475	15,147,237
Segment return on net assets (ROA) %	12.58%	13.42%	-	27.41%	-	-
Segment cost of funds (%)	11.87%	12.99%	-	-	-	-

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

13. RELATED PARTY TRANSACTIONS

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

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

	Nine months period ended September 30, 2010	Nine months period ended September 30, 2009
	(Rupees in '000)	
Expenses charged to an associate	11,241	11,944
Expenses charged by		
- associates	1,980	2,935
- other related party	9,635	13,533
Mark-up earned on bank deposit with an associate	814	507
Dividend income from related parties	33,549	-
Mark-up earned on loans and advances		
- associates	-	1,088
- key management personnel	181	-
Mark-up expense on COIs of related parties	11,573	454
Contribution made to provident fund	5,247	3,996
Contribution made to gratuity fund	7,976	8,197
	September 30, 2010	December 31, 2009
	(Rupees in '000)	
Loans and advances to key management personnel		
Balance as at January 1	22,523	6,704
Disbursement during the period / year	28,043	19,000
Recovery during the period / year	(8,607)	(3,181)
	19,436	15,819
Balance as at	41,959	22,523
Bank balances with an associate	542	57,089
Mark-up receivable on bank deposit with an associate	50	297
Deposits / COIs from associate & other related party	127,500	102,500
Mark-up payable to associate & other related party	2,802	4,160
Investments in		
- associates	4,494,656	4,111,632
- other related parties	500	500
Commitments for investment in equity of / loan to associates	16,220	166,220

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 Wealth Management, Head of Compliance, Head of Internal Audit and the Head of Human Resources. Their salaries and other benefits amount to Rs. 43.277 million (September 30, 2009: Rs. 39.735 million) and staff retirement benefits amount to Rs. 3.108 million (September 30 2009: Rs. 2.100 million).

14. DATE OF AUTHORISATION FOR ISSUE

These consolidated interim condensed financial statements were authorised for issue in the Board of Directors meeting held on ~~17 OCT 2010~~

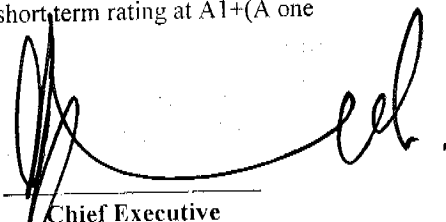
15. GENERAL

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

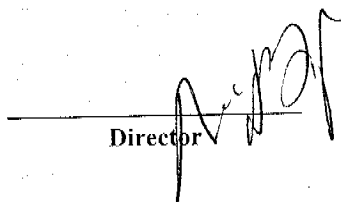
15.2. The JCR-VIS Credit Rating Company Limited has maintained long term credit ratings of AAA (Triple A) and the short term rating of A1+(A one plus) for the company. The Pakistan Credit Rating Agency (PACRA) has maintained the long-term entity rating of AA+ and the short term rating at A1+(A one plus).



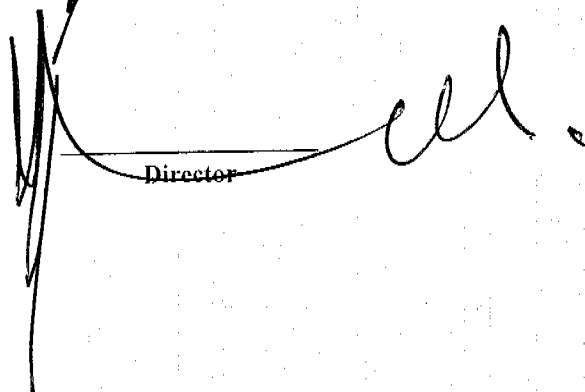
Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director