

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended September 30, 2018

Condensed Interim Statement of Financial Position

As at September 30, 2018

As at September 30, 2018	Note	September 30, 2018 (Un -Audited) (Rupees i	December 31, 2017 (Audited) n '000)
ASSETS			
Cash and balances with treasury banks	•	52,092	61,148
Balances with other banks .		6,513	18,730
Lendings to financial institutions	6	1,022,753	2,476,726
Investments	7	25,351,470	22,922,841
Advances	8	2,382,286	3,166,570
Operating fixed assets	,	213,118	196,533
Deferred tax assets		-	-
Other assets		593,800	286,616
	•	29,622,032	29,129,164
LIABILITIES Bills payable Borrowings Deposits and other accounts Subordinated loans Liabilities against assets subject to finance lease Deferred tax liabilities Other liabilities NET ASSETS	9	1,423,339 - - - 1,430,724 642,894 3,496,957 26,125,075	2,562,007 2,500 - 1,283,926 473,321 4,321,754 24,807,410
REPRESENTED BY			•
Share capital		6,000,000	6,000,000
Reserves		7,431,389	7,431,389
Unappropriated profit	•	12,450,514	10,696,759
,	•	25,881,903	24,128,148
Surplus on revaluation of 'available-for-sale'			
securities - net of tax	10	243,172	679,262
,	•	26,125,075	24,807,410
	:		

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

Chief Financial Officer

Director

CONTINGENCIES AND COMMITMENTS

Director

Chief Executive

Condensed Interim Profit and Loss Account - (Un-audited)
For the nine months period ended September 30, 2018

Por the nine months period ended September 30, 2010	Quarter ended	Nine months period ended	Quarter ended	Nine months period ended
	Septembe	r 30, 2018	Septembe	er 30, 2017
		(Rupees i	n '000)	
Mark-up / return / interest earned	211,514	696,331	189,099	562,273
Mark-up / return / interest expensed	8,253	58,199	26,240	78,343
Net mark-up / interest income	203,261	638,132	162,859	483,930
Reversal of provision against non-performing loans and advances - net	(51,322)	(63,940)	(15,174)	(281,108)
Provision for diminution / impairment in the value of investments	7,936	37,698	114,988	159,314
Bad debts written off directly				•
	(43,386)	(26,242)	99,814	(121,794)
Net mark-up / interest income after provisions	246,647	664,374	63,045	605,724
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	900	3,200	1,150	1,777
Dividend income	49,024	130,221	20,201	137,733
Income from dealing in foreign currencies	·	-	-	, <u>-</u>
Gain on sale of securities	19,662	146,919	1,635	90,421
Unrealised (loss) / gain on revaluation of		.]	
'held-for-trading' securities	(5,654)	(5,214)	2,929	1,469
Share in results of associates - net	736,616	2,203,053	489,559	1,632,518
Other income	48,027	167,310	2,442	15,965
Total non mark-up / interest income	848,575	2,645,489	517,916	1,879,883
NON MARK-UP / INTEREST EXPENSES				<u>``</u>
Administrative expenses	157,577	464,604	125,473	355,208
Provision on other assets	-	25,488	-	-
Other charges	-	[-	•
Total non mark-up / interest expenses	157,577	490,092	125,473	355,208
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	937,645	2,819,771	455,488	2,130,399
Taxation				
- Current	84,709	340,424	115,208	306,986
- Prior years		-		
- Deferred	76,274	208,952	(4,164)	372,838
	160,983	549,376	111,044	679,824
PROFIT AFTER TAXATION	776,662	2,270,395	344,444	1,450,575
		Rupe	:es	
Basic and diluted earning per share				:
(On share of Rs. 25,000 each)	3,236	9,460	1,435	6,044

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

Chief Financial Officer

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

For the nine months period ended September 30, 2018

	Note	Quarter ended	Nine months period ended	Quarter ended	Nine months period ended
·		Septemb	er 30, 2018	Septem	ber 30, 2017
•			(Rupees i	n '000)	- '
•					
Profit for the period	,	776,662	2,270,395	344,444	1,450,575 .
Other comprehensive income			•		
Not to be reclassified to profit and loss account in subsequent periods					ţ
Share of remeasurement of defined benefit plans of associates .		•	(19,925)	-	(11,909)
- Deferred tax on remeasurement of defined benefit plans of associates		-	3,285	-	•
Comprehensive income transferred to equity	•	776,662	2,253,755	344,444	1,438,666
Component of comprehensive income not transferred to equity		·,			
Share of (deficit) on revaluation of 'available for sale' securities		•			:
of associates	7.2	(194,390)	(313,138)	(224,057)	(441,912)
Deferred tax on revaluation of 'available for sale' securities of associates		29,158	46,956	33,399	67,445
(Deficit) on revaluation of 'available for sale' securities		(70,279)	(181,822)	(95,945)	(615,500)
Deferred tax on revaluation of 'available-for-sale' securities		11,707	11,914	(37,597)	34,196
Total comprehensive income for the period		552,858	1,817,665	20,244	482,895

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

Chief Financial Officer

Director Direct

Chief Executive

Condensed Interim Statement of Changes in Equity - (Un-audited) For the nine months period ended September 30, 2018

	Share Capital	Statutory Reserve	Non-distributable Reserve	Capital Market Equalization Reserve	Unappropriated profit	Total
•			(Rupees i	in '000)		
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	-		-	<u>-</u>	1,450,575	1,450,575
Other comprehensive income					(11,909)	(11,909)
Total comprehensive income	-	-	-	-	1,438,666	1,438,666
Transactions with the owners of the Company						•
Final dividend for the year ended December 31, 2016 @ 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
Profit for the quarter ended December 31, 2017	-	•	· -	-	399,654	399,654
Other comprehensive income		•			(32,492)	(32,492)
Total comprehensive income	-	•	•	., •	367,162	367,162
Transfer to statutory reserve		370,046			(370,046)	- :
Transfer to capital market equalization reserve				185,023	(185,023)	· •
Balance as at December 31, 2017	6,000,000	5,515,229	935,264	980,896	10,696,759	24,128,148
Profit for the nine months period ended September 30, 2018	-	-	-		2,270,395	2,270,395
Other comprehensive income	<u> </u>	-		-	(16,640)	(16,640)
Total comprehensive income	-	· 	-	-	2,253,755	2,253,755
Transactions with the owners of the Company						
Dividend for the year ended December 31, 2017 @ 2,083.3 per share approved subsequently to year end		-	-	-	(500,000)	(500,000)
Balance as at September 30, 2018	6,000,000	5,515,229	935,264	980,896	12,450,514	25,881,903

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

Transfers to statutory reserve and capital market equilization reserve are made for the year in the annual financial statements.

Chief Financial Officer

Condensed Interim Cash Flow Statement - (Un-audited)

For the nine months period ended September 30, 2018

CASH FLOW FROM OPERATING ACTIVITIES Profit before taxation 2,130,399 1,30,2210 1,30,399 1,30,2210 1,30,399 1,30,2210 1,30,399 1,30,2210 1,30,399 1,30,2210 1,30,	For the nine months period ended September 30, 2016		
Profit before taxation	•		
Profit before taxation 2,819,771 2,103,939 Less: Dividend income (130,221) (137,733) (137,733) Adjustments for: 9,058 7,204 Depreciation 3,523 6,440 Reversal of provision against non-performing loans and advances - net (63,940) (281,108) Provision for diminution / impairment in the value of investments 37,698 159,314 Provision for impairment in other assets 5,214 (1,469) Unrealized loss? (agin) on revaluation of 'held for trading' securities 5,214 (1,469) Share in results of associates - net (2,203,053) (1,523,518) Gain on disposal of operating fixed assets 2,186,012 (1,173,294) Eurilings to financial institutions 1,453,973 2,232,590 Held-for-rading' securities 1,453,973 2,232,590 Advances 484,224 1,699,379 Oberease (excluding advance taxation) (1,138,668) (74,759) Deposits and other accounts (2,500) (500,009) Oberease) in operating liabilities (1,138,668) (74,759) Borrowin	•	(Rupees in 'C	J00)
Profit before taxation 2,819,771 2,103,939 Less: Dividend income (130,221) (137,733) (137,733) Adjustments for: 9,058 7,204 Depreciation 3,523 6,440 Reversal of provision against non-performing loans and advances - net (63,940) (281,108) Provision for diminution / impairment in the value of investments 37,698 159,314 Provision for impairment in other assets 5,214 (1,469) Unrealized loss? (agin) on revaluation of 'held for trading' securities 5,214 (1,469) Share in results of associates - net (2,203,053) (1,523,518) Gain on disposal of operating fixed assets 2,186,012 (1,173,294) Eurilings to financial institutions 1,453,973 2,232,590 Held-for-rading' securities 1,453,973 2,232,590 Advances 484,224 1,699,379 Oberease (excluding advance taxation) (1,138,668) (74,759) Deposits and other accounts (2,500) (500,009) Oberease) in operating liabilities (1,138,668) (74,759) Borrowin	CASH FLOW FROM OPERATING ACTIVITIES		
Less: Dividend income (130,221) (137,735) Adjustments for: Depreciation		2,819,771	
Adjustments for: Depreciation Amortization Reversal of provision against non-performing loans and advances - net (6a,940) Reversal of provision for diminution / impairment in the value of investments Provision for diminution / impairment in the value of investments Provision for impairment in other assets Unrealized loss' (again) on revaluation of 'held for trading' securities Share in results of associates - net Unrealized loss' (again) on revaluation of 'held for trading' securities Share in results of associates - net Gain on disposal of operating fixed assets Lendings to financial institutions Reversal of the revaluation of the lending securities Reversal of the reversal securities Reversal of reversal secu			
Depreciation 9,058 7,204 Amortization 3,523 6,440 Reversal of provision against non-performing loans and advances - net (63,940) (281,108) Provision for diminution / impairment in the value of investments 37,698 159,314 Provision for impairment in other assets 25,488 -		2,689,550	1,992,666
Amortization 3,523 6,440 Amortization 3,523 (281,108)	Adjustments for:	0.070	7 204
Reversal of provision against non-performing loans and advances - net (63,940) 7,9759 159,314 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 159,314 17,958 17,958 159,314 17,958	Depreciation		
Provision for diminution / impairment in the value of investments 37,698 159,314 Provision for impairment in other assets 25,488 1.5,214 (1,469) (1,469) (1,469) (1,469) (1,469) (1,469) (1,474,254) (1 1 1	
Provision for impairment in other assets Unrealised loss / (gain) on revaluation of 'held for trading' securities Share in results of associates - net Gain on disposal of operating fixed assets Capaging on the practice of the provision of the part of the p	Reversal of provision against non-performing loans and advances - net		
Commitment		1	139,314
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Case In claim to associates (1,157) (2,186,012) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,294) (1,743,297) (1,744,197) (1,743,297) (1,744,197) (1,743,297) (1,744,197) (1,744,197) (1,744,197) (1,111) (1,111) (1,111) (1			
Can be sposed of operating sixed assets Can be sposed of the period	Share in results of associates - net	(2,203,053)	
Decrease in operating assets	Gain on disposal of operating fixed assets	(2.126.010)	
Decrease in operating assets			
Lendings to financial institutions		203,238	243,372
Clarification in transition in transition in transition in the image is a serial in the interval in the in		1,453,973	2,232,590
Relation relating securities 348,224 47,044 118,481 118,			
Advances 47,044 118,481 Others assets (excluding advance taxation) 2,334,991 3,951,876 (Decrease) in operating liabilities (1,138,668) (74,759) Borrowings from financial institutions (2,500) (50) Deposits and other accounts (2,500) (6,302) Other liabilities (excluding current taxation) (10,74,374) (81,111) Income tax paid (138,856) (239,231) Net cash inflow from operating activities (138,856) (239,231) Net acts inflow from operating activities (1,766,016) (3,673,284) Net investment in 'available-for-sale' securities (1,766,016) (3,673,284) Net investment in associates (29,166) (1,197,221 Dividend received 648,610 (1,197,221 Investments in operating fixed assets (29,166) (1,209) Sale proceeds of operating fixed assets (29,166) (1,209) Sale proceeds of operating fixed assets (1,165,772) (3,389,579) CASH FLOW FROM FINANCING ACTIVITIES (500,000) (500,000) Dividend paid (500,000		1	
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Decrease in operating liabilities Sorrowings from financial institutions C1,138,668 C74,759 C50	Others assets (excluding advance taxation)		
Borrowings from financial institutions	(Decrease) in operating liabilities	_,_,,	i
Deposits and other accounts		(1,138,668)	(74;759)
Other liabilities (excluding current taxation) 66,794 (6,302) (6,302) Other liabilities (excluding current taxation) (1,074,374) (81,111) (81,111) 1,764,155 (239,231) 4,120,137 Income tax paid (138,856) (239,231) Net cash inflow from operating activities 1,625,299 (3,880,906) CASH FLOW FROM INVESTING ACTIVITIES (1,766,016) (902,464) Net investment in 'available-for-sale' securities 648,610 (902,464) Net investment in associates 648,610 (12,209) Dividend received (29,166) (12,209) Investments in operating fixed assets (29,166) (12,209) Sale proceeds of operating fixed assets (1,146,572) (3,389,579) Net cash (outflow) from investing activities (1,146,572) (3,389,579) CASH FLOW FROM FINANCING ACTIVITIES (500,000) (500,000) Dividend paid (500,000) (500,000) Net cash used in financing activities (500,000) (500,000) (Decrease) in cash and cash equivalents (21,273) (8,673) Cash and cash equivalents at beginning of the period 79,878 78,686			(50)
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Net cash inflow from operating activities 1,625,299 3,880,906 CASH FLOW FROM INVESTING ACTIVITIES (1,766,016) (3,673,284) Net investment in 'available-for-sale' securities (902,464) Net investment in associates 648,610 1,197,221 Dividend received (29,166) (12,209) Investments in operating fixed assets (29,166) (12,209) Sale proceeds of operating fixed assets (1,146,572) (3,389,579) Net cash (outflow) from investing activities (500,000) (500,000) CASH FLOW FROM FINANCING ACTIVITIES (500,000) (500,000) Dividend paid (500,000) (500,000) Net cash used in financing activities (500,000) (500,000) (Decrease) in cash and cash equivalents (21,273) (8,673) Cash and cash equivalents at beginning of the period 79,878 78,686	Tu some toy mid	(138,856)	(239,231)
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Investments in operating fixed assets (29,166) (12,209) Sale proceeds of operating fixed assets 1,157 Net cash (outflow) from investing activities (1,146,572) (3,389,579) CASH FLOW FROM FINANCING ACTIVITIES Dividend paid (500,000) (500,000) Net cash used in financing activities (500,000) (500,000) (Decrease) in cash and cash equivalents (21,273) (8,673) Cash and cash equivalents at beginning of the period (79,166) (12,209) (12,209) (12,209) (12,209) (13,157) (12,209) (13,157) (13,157) (3,389,579) (20,000) (500,000) (20,000) (500,000) (20,000) (21,273) (3,673) (21,273) (3,673)	Net investment in associates	(40.010	· ·
1,157 Sale proceeds of operating fixed assets - 1,157 Net cash (outflow) from investing activities (1,146,572) (3,389,579)	Dividend received		
Sale proceeds of operating fixed assets Net cash (outflow) from investing activities CASH FLOW FROM FINANCING ACTIVITIES Dividend paid Net cash used in financing activities (500,000) (500,000) (500,000) (500,000) (500,000) (500,000) (500,000) (500,000) (500,000) (500,000) (500,000)	Investments in operating fixed assets	(29,166)	
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(Decrease) in cash and cash equivalents(21,273)(8,673)Cash and cash equivalents at beginning of the period79,87878,686		(500,000)	(500,000)
Cash and cash equivalents at beginning of the period 79,878 78,686		(21,273)	(8,673)
Cash and cash equivalents at degining of the period	(Decrease) in cash and cash equivalents	• • •	
Cash and cash equivalents at end of the period	Cash and cash equivalents at beginning of the period		
	Cash and cash equivalents at end of the period		

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

Chief Financial Officer

Director

Pakistan Kuwait Investment Company (Private) Limited Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended September 30, 2018

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, 2017.

3. STATEMENT OF COMPLIANCE

- 3.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017, provisions of and directives issued under Companies Act, 2017 and the directives issued by the State Bank of Pakistan (SBP). Where the provisions of and directives issued under the Companies Act, 2017 and the directives issued by SBP differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and directives issued by SBP have been followed.
- 3.2 The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 39 'Financial Instruments: Recognition and Measurement' and IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Further, SECP has deferred the implementation of IFRS 7 'Financial Instruments: Disclosures' through SRO 411(1)/ 2008. Accordingly, the requirements of these International Financial Reporting Standards (IFRSs) and their respective interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), have not been considered in preparation of this condenced interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

3.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards would be effective for the financial year commencing January 1, 2019.

IFRS 9 'Financial Instruments'

The Company is currently awaiting instructions from the SBP, as applicability of IAS 39 was deferred by the SBP till further instructions. However, the SBP has instructed banks and development financial institutions to prepare potential qualitative and quantitative impact assessments as a result of adoption of IFRS 9 using the performa financial statements for the year ended December 31, 2017. The Company is required to submit its impact assessment to the SBP in due course of time.

IFRS 15 'Revenue from contracts with customers'

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 'Revenue' which covers contracts for goods and services and IAS 11 'Construction Contracts' which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer so the notion of control replaces the existing notion of risks and rewards. A new five step process has been introduced which must be applied before revenue can be recognised. Entities will have a choice of full retrospective application, or prospective application with additional disclosures.

The Company does not expect any significant impact on revenue recognition from adoption of the standard.

IFRS 16 'Leases'

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The accounting for lessors will not significantly change.

The Company is currently in the process of assessing the potential impact of changes as a result of adoption of IFRS 16.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2019 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

Moreover SBP has notified a new format of financial statements vide BPRD circular No. 2 of 2018 which would be effective from accounting year ended December 31, 2018.

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, 2017.

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, 2017.

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, 2017.

							September 30, 2018	December 31, 2017
6.	LENDINGS TO FINANCIAL II	NSTITU	TIONS				(Rupees	in '000)
	Repurchase agreement lendings (F	Reverse R	lepo)				1,022,753	2,476,726
6.1	Securities held as collateral	Note	Si	eptember 30, 2018			December 31, 2017	
	against lendings to financial institutions	•	Held by the Company	Further given as collateral	Total	Held by the Company	Further given as collateral	, Total
					Rup	ees in '000		·.
	Market Treasury Bills	6.1.1	1,022,753	•	1,022,753	2,476,726	-	2,476,726

6.1.1 This represents lending to financial institutions against purchase and resale of government securities. Market value of these securities as at September 30, 2018 amounted to Rs. 1,020.675 (December 31, 2017: 2,458.403) million. The markup rate on these lendings are 7.55 and 7.60 (December 31, 2017: 5.85 and 5.90) percent per annum with maturity in one day (December 31, 2017: two days).

INVESTMENTS

7.2

Investments by type

Held by the Company Note	investments by type			September 30, 2018			December 31, 201	7
Hell for trading securities 133,977 113,777 119,727 119,					Total	•	Given as collateral	Total
Shares of listed companies 133,977 119,728 119,226 110,226 120,226 110,226 120,226 120,226 120,226 120,226 120,226 120,226 120,226 120,226 120,226 120,226 120,226 120,226 120,226 120,2		Note	-		(Rupees in	'000)		
Market treasury bills			133,977	-	133,977	119,727	-	119,727
Provision for diminution	Available for sale securities				1 000 626	2 540 200		2 5/8 276
Pasts investments outs 3,460,132 3,460,132 110,226 110,226 110,226 110,226 110,226 110,226 110,226 110,226 110,226 110,226 110,226 110,226 110,226 150,229 55,029 55,029 55,029 55,029 15,50,29 15,5				-				
Shares of unisted companies 110,226				<u> </u>				
Listed preference shares				1 1			.	110,226
Listed sukuk / term finance certificates 1,511,601 - 1,511,601 298,479 - 289,479 - 298,479 - 289,479				<u> </u>			-	
Unlisted term finance certificates 298,373 - 288,479 - 228,4				-			-	839,120
Associates 7.2 14,533,496 - 14,533,496 13,660,400 - 13,660,400 25,491,488			298,373				<u> </u>	
Provision for diminution /	•		10,824,015		10,824,015	9,119,503	•	9,119,503
Provision for diminution / impairment in the value of investments (426,905) - (426,905) (455,168) - (455,168) (150,1	Associates	7.2	14,533,496	-	14,533,496	13,660,400	-	13,660,400
impairment in the value of investments (426,905) - (426,905) (455,168) - (455,168) - (455,168) Total investments - net of provisions 25,064,583 - 25,064,583 22,444,462 - 22,444,462 (Deficit) / surplus on revaluation of			25,491,488	-	25,491,488	22,899,630	•	22,899,630
Total investments - net of provisions 25,064,583 - 25,064,583 22,444,462 - 22,444,462			(426 005		(426 905)	(455 168)		(455,168)
Nine months Nine months Period ended Period Period ended Period ended Period ended Period Period Period Period Period Period ended Period							•	
Surplus on revaluation of 'available for sale' securities 292,101	(Deficit) / surplus on revaluation of held for trading securities		(5,214		. (5,214)	4,455		4,455
Nine months period ended period ended September 30, September 30, 2018 2017 (Rupees in '000)			292,101	-	292,101	473,924	-	473,924 (
Nine months period ended september 30, 2018 2017 (Rupees in '000)	Total investments		25,351,470		25,351,470	22,922,841	•	22,922,841
Investments at beginning of the period 13,660,400 12,807,290 Investment in associates - 902,465 Share in (deficit) on revaluation / reserves of associates (313,138) (441,912) Share in remeasurement of defined benefits plans of associates (19,925) (11,909)							period ended September 30, 2018	period ended September 30, 2017
Investments at beginning of the period Investment in associates Share in (deficit) on revaluation / reserves of associates Share in remeasurement of defined benefits plans of associates (11,909) (11,909)	Movement in investments in associates							
Share in (deficit) on revaluation / reserves of associates Share in remeasurement of defined benefits plans of associates (313,138) (441,912) (11,909) (11,909)	Investments at beginning of the period						13,660,400	• •
Share in remeasurement of defined benefits plans of associates (19,925) (11,909)	Investment in associates			•			-	•
Share in remeasurement of defined benefits plans of associates (19,925) (11,909)	Share in (deficit) on revaluation / reserves of	associates						
							(19,925)	(11,909)
Share of profit from associates recognized in profit and loss account 2,203,053 1,632,518							2,203,053	1,632,518
Dividends received from associates (996,894) (1,039,360)	•	. p. oz. anu					(996,894)	(1,039,360)
Investments at end of the period 14,533,496 13,849,092							14,533,496	

- The cost of investment in associates as at September 30, 2018 amounted to Rs. 2,895 million (December 31, 2017: Rs. 2,895 million). Share in results of associates recorded under equity method of accounting net of dividend and income taxes amounted to Rs. 1,028 million (September 30, 2017: Rs. 292 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, 2017, except for Al-7.4 Meezan Mutual Fund's holding, where holding percentage varies due to change in total units in issue.

			September 30, 2018	December 31, 2017
8.	ADVANCES	Note	(Rupees	in '000)
•	In Pakistan Advances Net investment in finance leases		2,948,341 522,708 3,471,049	3,676,709 642,564 4,319,273
	Provision for non-performing advances Advances - net of provision	8.2	(1,088,763) 2,382,286	(1,152,703) 3,166,570

8.1 Advances include Rs. 1,088.763 million (December 31, 2017: Rs. 1,153.527 million) which have been placed under non-performing status as detailed below:

				September 30	, 2018	
	Category of classification	Domestic	Overseas	Total	Provision	Provision
•	5 V				Required	Held
				(Rupees in '	000)	.,,
	Substandard	-	-	-	•	-
	Doubtful	-	-	. -	• .	-
	Loss	1,088,763	-	1,088,763	1,088,763	1,088,763
		1,088,763	-	1,088,763	1,088,763	1,088,763
	•			•		
				December 31,		
	Category of classification	Domestic	Overseas	Total	Provision	Provision
				•	Required	Held
				(Rupees in '	000)	
	· Substandard	. •	-		-	•
	Doubtful	1,647	-	1,647	. 823	823
	Loss	1,151,880	-	1,151,880	1,151,880	1,151,880
•		1,153,527	_	1,153,527	1,152,703	1,152,703
	•				***	1 37
					Nine months	Year
					period ended	ended
8.2	Particulars of provision for non-perform	ing advances - sp	ecific		September 30,	December 31,
			•		2018	2017
	•				(Rupees	in 'UUU)
	Outries belongs				1,152,703	1,437,645
	Opening balance				1,152,705	1, 1, 7, 7, 0 15
•	Reversals for the period / year				(63,940)	(284,942)
	200,000 101 and possess , your					
	Closing balance				1,088,763	1,152,703
						•
9.	BORROWINGS				September 30,	December 31,
7.	bornowings .			Note	2018	2017
	Secured			11010	(Rupees	in '000)
	• 7.7		•		(zerbeen	
	Borrowing from SBP	רבי		9.1	1,423,339	1,560,360
	Under Long Term Finance Facility - (LT)		(EEC V D)	9.1 9.2	1,720,007	1,647
	Under Finance Facility for Storage of Ag	riculturai Produce ((LLOAL)	7.2	-	1,000,000
	Term Finance Facility				1,423,339	2,562,007
					1,423,337	2,302,007

- P.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 5.00 percent per annum. SBP allocates an overall yearly limit under the facility to individual Participating Financial Institution (PFI). The sanctioned limit for the company from July 1, 2018 to June 30, 2019 is Rs. 1,000 million out of which no disbursement was made.
- 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 2.00 percent per annum. SBP allocates an overall yearly limit to individual PFI. The sanctioned limit for the company was Rs. 300 million.

0.	SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES - NET	September 30, 2018	December 31, 2017
U.	OF TAX	(Rupees	s in '000)
	Federal government securities	11,794	54,831
	Shares of listed companies	267,340	408,693
	Listed / unlisted / TFCs / sukuk	12,967	10,399
	Share of surplus on revaluation of investments of associates	(104,079)	209,059
	Sitale of Surplus on Tevaluation of Investments of abbodition	188,022	682,982
	Deferred Tax	55,150	(3,720)
	Deletted 14x	243,172	679,262

11. CONTINGENCIES AND COMMITMENTS

11.1 Taxation

The Income Tax Department has amended the deemed assessment orders for the tax years from 2003 to 2017, raising a tax demand of Rs. 3,430 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 2017 under this head amount to Rs 7,741 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 of 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 appeal.

Relying on the above decision of ATIR, the CIR(A) through orders dated September 23, 2011, November 30, 2012, September 15, 2015, September 8, 2017, March 6, 2018 and March 7, 2018 for tax years 2004 to 2007, tax year 2010, tax years 2011 to 2013, tax year 2015, tax years 2014 and 2017 and tax year 2016 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 2017 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. 1,358 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.

11.2	Other commitments		September 30, 2018	December 31, 2017
			. (Rupee	s in '000)
	Undisbursed sanctions for financial assistance in the form of - TFCs and Sukuks - loans and advances	_	650,000 650,000	400,000 450,000 850,000

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

12.1 On balance sheet financial instruments

On Dalance Sheet Imaneial mistrument	-				Septemb	er 30, 2018				
	Held-for-	Available-for-	Held-to-	Loans and	Other financial	Total	Level 1	Level 2	Level 3	Total 4
	trading	sale	maturity	receivables	liabilities					
				,	(Rupees	in '000)				
Financial assets measured at fair value										
Investments										
- Market treasury bills	-	4,988,289	-	-	. •	4,988,289	•	4,988,289	•	4,988,289
- Pakistan investment bonds	-	412,068	•	-	-	412,068	-	412,068	-	412,068
- Shares of listed companies	128,764	3,458,769	-	-	-	3,587,533	3,587,533	•	•	3,587,533
- Listed preference shares		40,150			•	40,150	40,150	-	-	40,150
- Listed sukuk / term finance certificates	-	1,516,266	-	-		1,516,266	-	1,516,266	-	1,516,266
- Unlisted term finance certificates	•	273,128	-	-	•	273,128	-	273,128	•	273,128
Financial assets not measured at fair value										
Cash and balances with treasury banks	-	-	-	52,092	-	52,092	-	•	•	-
Balances with other banks	-	• •	-	6,513	-	6,513	-	-	•	-
Investments				•						
- Investments in associates - listed		13,396,466	-		-	13,396,466	34,491,085	-	-	34,491,085
- Shares in unlisted companies	-	540		-	-	540	-	•	•	-
- Shares of unlisted associates	-	1,137,030		-	•	1,137,030	-	-	·-	•
Advances	-	•		, 2,382,286	-	2,382,286	-	-	-	•
Other assets	-		-	563,267	-	563,267	٠ -	-	-	-
				•	,					
Financial liabilities not measured at fair va	lue			•						
Borrowings	_		-	-	(1,423,339)	(1,423,339)	-	-	-	-
Other liabilities	-	•_	-	-	(582,626)	(582,626)	-	-		-
										1
	128,764	25,222,706	-	3,004,158	(2,005,965)	26,349,663				•
										;
					Decemb	er 31, 2017				
	Held-for-	Available-for-	Held-to-	Loans and	Decemb Other financial	er 31, 2017 Total	Level 1	Level 2	Level 3	Total
		Available-for-					Level 1	Level 2	Level 3	Total
	Held-for- trading	Available-for- sale	Held-to- maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					Other financial	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value Investments					Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
					Other financial liabilities	Total	Level 1	Level 2	Level 3	Total 3,547,663
Investments		sale			Other financial liabilities	Total in '000)	Level 1	<u></u>	Level 3	
Investments - Market treasury bills - Pakistan investment bonds		sale 3,547,663			Other financial liabilities	Total in '000)	Level 1	3,547,663	Level 3	3,547,663
Investments - Market treasury bills - Pakistan investment bonds	trading	3,547,663 953,175			Other financial liabilities	Total in '000) 3,547,663 953,175	<u>.</u>	3,547,663 953,175	Level 3	3,547,663 953,175
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies	trading	3,547,663 953,175 3,473,133			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315	<u>.</u>	3,547,663 953,175 -	Level 3	3,547,663 953,175 3,597,315
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates	trading	3,547,663 953,175 3,473,133 849,254			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254	- - 3,597,315 -	3,547,663 953,175 - 849,254	Level 3	3,547,663 953,175 3,597,315 849,254
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates	- 124,182	3,547,663 953,175 3,473,133 849,254			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254	- - 3,597,315 -	3,547,663 953,175 - 849,254	Level 3	3,547,663 953,175 3,597,315 849,254
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates	- 124,182	3,547,663 953,175 3,473,133 849,254			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254	- - 3,597,315 -	3,547,663 953,175 - 849,254	Level 3	3,547,663 953,175 3,597,315 849,254
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value	- 124,182	3,547,663 953,175 3,473,133 849,254		receivables	Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106	- - 3,597,315 -	3,547,663 953,175 - 849,254	Level 3	3,547,663 953,175 3,597,315 849,254
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks	- 124,182	3,547,663 953,175 3,473,133 849,254			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148	- - - 3,597,315 - -	3,547,663 953,175 - 849,254	Level 3	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks	- 124,182	3,547,663 953,175 3,473,133 849,254			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148	- - - 3,597,315 - -	3,547,663 953,175 - 849,254	Level 3	3,547,663 953,175 3,597,315 849,254
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments in associates - listed	- 124,182	3,547,663 953,175 3,473,133 849,254 265,106			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730	- - 3,597,315 - - -	3,547,663 953,175 - 849,254	Level 3	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments in associates - listed - Listed preference shares	- 124,182	3,547,663 953,175 3,473,133 849,254 265,106			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730	3,597,315 - - - - - - 25,068,357	3,547,663 953,175 - 849,254	Level 3	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments in associates - listed - Listed preference shares - Shares in unlisted companies	- 124,182	3,547,663 953,175 3,473,133 849,254 265,106			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730 12,578,211 50,000	3,597,315 - - - - 25,068,357 40,150	3,547,663 953,175 - 849,254	- - - - - -	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments in associates - listed - Listed preference shares - Shares in unlisted companies - Shares of unlisted associates	- 124,182	3,547,663 953,175 3,473,133 849,254 265,106		61,148 18,730	Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730 12,578,211 50,000 540	3,597,315 - - - - 25,068,357 40,150	3,547,663 953,175 - 849,254	- - - - - -	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments in associates - listed - Listed preference shares - Shares in unlisted companies	- 124,182	3,547,663 953,175 3,473,133 849,254 265,106			Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730 12,578,211 50,000 540 1,082,189	3,597,315 - - - - 25,068,357 40,150	3,547,663 953,175 - 849,254	- - - - - -	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments - Listed preference shares - Shares in unlisted companies - Shares of unlisted associates Advances Other assets	trading	3,547,663 953,175 3,473,133 849,254 265,106		61,148 18,730	Other financial liabilities	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730 12,578,211 50,000 540 1,082,189 3,166,570 88,931	3,597,315 - - - - 25,068,357 40,150	3,547,663 953,175 - 849,254	- - - - - -	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments in associates - listed - Listed preference shares - Shares in unlisted companies - Shares of unlisted associates Advances Other assets Financial liabilities not measured at fair value Borrowings	trading	3,547,663 953,175 3,473,133 849,254 265,106		61,148 18,730	Other financial liabilities (Rupees :	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730 12,578,211 50,000 540 1,082,189 3,166,570 88,931 (2,562,007)	3,597,315 - - - - 25,068,357 40,150	3,547,663 953,175 - 849,254	- - - - - -	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments in associates - listed - Listed preference shares - Shares in unlisted companies - Shares of unlisted associates Advances Other assets Financial liabilities not measured at fair value companies - Shares of unlisted associates Advances Other assets	trading	3,547,663 953,175 3,473,133 849,254 265,106		61,148 18,730	Other financial liabilities (Rupees :	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730 12,578,211 50,000 540 1,082,189 3,166,570 88,931 (2,562,007) (2,500)	3,597,315 - - - - 25,068,357 40,150	3,547,663 953,175 - 849,254	- - - - - -	3,547,663 953,175 3,597,315 849,254 265,106
Investments - Market treasury bills - Pakistan investment bonds - Shares of listed companies - Listed sukuk / term finance certificates - Unlisted term finance certificates Financial assets not measured at fair value Cash and balances with treasury banks Balances with other banks Investments - Investments in associates - listed - Listed preference shares - Shares in unlisted companies - Shares of unlisted associates Advances Other assets Financial liabilities not measured at fair value Borrowings	trading	3,547,663 953,175 3,473,133 849,254 265,106		61,148 18,730	Other financial liabilities (Rupees :	Total in '000) 3,547,663 953,175 3,597,315 849,254 265,106 61,148 18,730 12,578,211 50,000 540 1,082,189 3,166,570 88,931 (2,562,007)	3,597,315 - - - - 25,068,357 40,150	3,547,663 953,175 - 849,254	- - - - - -	3,547,663 953,175 3,597,315 849,254 265,106

The fair value of financial assets and liabilities not carried at fair value except for investments in listed associates 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).

13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Treasury	Investment Banking — (Rupees in	Capital Markets '000)	Others	Total
•		•		•	•	
Nine months period ended September 30, 201		373 540	750	2,300,981	5,552	3,347,034
Total income - gross	(58,089)	373,549 (110)	730	2,500,551	- 1	(58,199)
Total mark-up / return / interest expense Segment provision / impairment /	(38,083)	(110)		1 . 11	11	
unrealised gain / losses	63,940	-	-	(42,912)		21,028
· · · · · · · · · · · · · · · · · · ·	5,851	(110)		(42,912)		(37,171)
Net operating income	672,053	373,439	750	2,258,069	5,552	3,309,863
Administrative expenses and						
other charges						(490,092)
Profit before taxation				•	:	2,819,771
NY 4 1 1 1 1 2 3 3 5 m 4 m 1 m 20 201	0					
Nine months period ended September 30, 201 Segment assets - net	5,256,885	6,487,590	· · -	17,076,533	801,024	29,622,032
Segment assets - net Segment non-performing loans	1,088,763	-	' -	-	-	1,088,763
Segment provision required and held	1,088,763	_	-	-	-	1,088,763
Segment liabilities	1,479,227	34	1 - 1	8,888	2,008,808	3,496,957
Segment return on net assets (ROA) % *	16.49%	7.07%	·	18.60%	0.92%	-
Segment cost of funds (%) *	3.50%	5.87%				
	Corporate Finance	Treasury	Investment	Capital	Others	Total
	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		Banking (Rupees in	Markets '000)		
NY			_			
Nine months period ended September 30, 201		341.241	(Rupees in	'000)	,	2,440,687
Total income - gross	226,741	341,241	_		10,705	2,440,687
Total income - gross Total mark-up / return / interest expense		341,241 (190)	(Rupees in	'000)	10,705	
Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment /	226,741 (78,153)		(Rupees in	'000)	,	(78,343) 123,263
Total income - gross Total mark-up / return / interest expense	226,741 (78,153) 264,202		(Rupees in	1,860,673	10,705	(78,343) 123,263 44,920
Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment /  unrealised losses	226,741 (78,153)	(190)	(Rupees in	1,860,673	10,705	(78,343) 123,263
Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income	226,741 (78,153) 264,202 186,049	(190) - (190)	1,327	1,860,673 - (140,939) (140,939)	10,705	(78,343) 123,263 44,920 2,485,607
Total income - gross Total mark-up / return / interest expense Segment provision / impairment / unrealised losses  Net operating income Administrative expenses and	226,741 (78,153) 264,202 186,049	(190) - (190)	1,327	1,860,673 - (140,939) (140,939)	10,705	(78,343) 123,263 44,920 2,485,607 (355,208)
Total income - gross  Total mark-up / return / interest expense  Segment provision / impairment / unrealised losses  Net operating income	226,741 (78,153) 264,202 186,049	(190) - (190)	1,327	1,860,673 - (140,939) (140,939)	10,705	(78,343) 123,263 44,920 2,485,607
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	226,741 (78,153) 264,202 186,049 412,790	(190) - (190)	1,327	1,860,673 - (140,939) (140,939)	10,705	(78,343) 123,263 44,920 2,485,607 (355,208)
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, 20	226,741 (78,153) 264,202 186,049 412,790	(190) (190) 341,051	1,327	1,860,673 - (140,939) (140,939) 1,719,734	10,705 - - - 10,705	(78,343) 123,263 44,920 2,485,607 (355,208) 2,130,399
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, 20 Segment assets - net	226,741 (78,153) 264,202 186,049 412,790	(190) - (190)	1,327	1,860,673 - (140,939) (140,939)	10,705	(78,343) 123,263 44,920 2,485,607 (355,208) 2,130,399 29,114,393
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, 20: Segment assets - net Segment non-performing loans	226,741 (78,153) 264,202 186,049 412,790 17 5,474,830 1,157,362	(190) (190) 341,051	1,327	1,860,673 - (140,939) (140,939) 1,719,734	10,705 - - - 10,705	(78,343) 123,263 44,920 2,485,607 (355,208) 2,130,399 29,114,393 1,157,362
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, 20: Segment assets - net Segment non-performing loans Segment provision required and held	226,741 (78,153) 264,202 186,049 412,790 17 5,474,830 1,157,362 1,156,537	(190) - (190) 341,051 - 6,919,904 -	1,327	1,860,673 - (140,939) (140,939) 1,719,734	10,705 - - 10,705 425,085 - -	(78,343) 123,263 44,920 2,485,607 (355,208) 2,130,399 29,114,393 1,157,362 1,156,537
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, 20: Segment assets - net Segment non-performing loans Segment provision required and held Segment liabilities	226,741 (78,153) 264,202 186,049 412,790 17 5,474,830 1,157,362 1,156,537 2,668,913	(190) - (190) 341,051 6,919,904 - - 3,652	1,327	1,860,673  (140,939) (140,939) 1,719,734  16,294,574 - 4,283	10,705 - - 10,705 425,085 - 1,767,330	(78,343) 123,263 44,920 2,485,607 (355,208) 2,130,399 29,114,393 1,157,362
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, 20: Segment assets - net Segment non-performing loans Segment provision required and held	226,741 (78,153) 264,202 186,049 412,790 17 5,474,830 1,157,362 1,156,537	(190) - (190) 341,051 - 6,919,904 -	1,327	1,860,673 - (140,939) (140,939) 1,719,734	10,705 - - 10,705 425,085 - -	(78,343) 123,263 44,920 2,485,607 (355,208) 2,130,399 29,114,393 1,157,362 1,156,537

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

### 14. RELATED PARTY TRANSACTIONS

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

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

Details of transacitons with related parties during the period / year ended, other than those which have been disclosed elsewhere in these financial statements are as follows:

	September 30, 2018				December 31, 2017				
	Directors	Key manage- ment personnel	Associates	Other related parties	Directors	Key manage- ment personnel	Associates	Other related parties	
Balances with other banks	***************************************			(Rupee:	in '000)				
In saving account			3,755			-	12,476	-	
			,						
Investments Opening balance		-	13,660,400	500		-	12,807,290	500	
Investment made during the period / year	-		•	•	-	•	902,464	•	
Equity method accounting adjustments	. —_ <del>-</del>	<u> </u>	873,096	-			(49,354)		
Closing balance		-	14,533,496	500		<del></del>	13,660,400	500	
Advances									
Opening balance	•	8,445	•	•	-	23,553	•	-	
Addition during the period / year	•	15,700	-	•		600	•	-	
Repaid during the period / year	-	(8,407)		•	•	(11,264)	-	-	
Transfer in / (out) - net		13,787 29,525	<del></del>			(4,444) 8,445	<del></del> -	<del></del>	
Closing balance	<del></del>	29,525	<del></del>		<del></del>	0,443	<del></del>		
Other Assets									
Interest / mark-up accrued	-	-	41	-	-	-	30	4 -	
Dividend receivable from Associates	-	-	478,306	• • •	-	· -		•	
Receivable from Pak Kuwait Takaful Company	-	-		9,740`	•	₹.	- ,	9,740	
Non-current asset held for sale	-	•	-	135,000 .	-		•	135,000	
Provision against other assets	-		-	(144,740)		-		(144,740)	
,	-	-	478,347	•	•	•	30	-	
						·			
Deposits and other accounts									
Opening balance	-	·	-	2,500	-	-	-	2,500	
Received during the period / year	-	-	•	-	-	-	-	2,500	
Withdrawn during the period / year		-	<del></del> .	(2,500)		<del></del>	<u> </u>	(2,500) 2,500	
Closing balance						<u> </u>	<del></del>	2,300	
Other Liabilities						.•			
Interest / mark-up payable	•	-	-	-	-	-	-	41	
Payable to NCCPL	•	-	58	-	•	•	' 60	-	
	September 30, 2018				September 30, 2017				
	Ver manage.			···	Key manage-				
	Directors	ment	Associates	Other related parties	Directors	ment	Associates	Other related parties	
		personnel		<u> </u>	- 1000)	personnel		<u>.                                    </u>	
				(Rupees	in '000)				
Income					•				
Mark-up / return / interest earned	-	815	208	-	-	700	225 1.039.360	-	
Dividend income	-	-	996,894	-	-	•	1,039,360	, -	
Other income - Nominee Director Fee	1 _	_	6,583	85	-		. 6,993	105	
Expense		-	0,505	"			,,,,,		
Mark-up / return / interest paid		-		104	-	-	-	4 107	
•									
Operating expenses			~						
- Directors Fee	13,054	•	-	, -	8,325	-		-	
- Remuneration to key management personnel		82,840		. <u>.</u>	_	78,660	•		
(including retirement benefits)	1 .	02,040	-		i -	. 0,000		338	
- NCCPI Charges	-	-	-	352 1		-			
- NCCPL Charges - FMCL Office Maintenance Charges	:	-	-	352 19,146		-		18,367	
NCCPL Charges     FMCL Office Maintenance Charges     Contribution made to Staff Provident Fund	-	- -	-	19,146 12,317	-	:	-		

### 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, Head of Operations, Head of Human Resources and Head of Information Technology.

### 15. LIQUIDITY RISK

The Company calculates the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as per SBP Basel III Liquidity Standards issued under BPRD circular no. 08 dated June 23, 2016. As of September 30, 2018, the company LCR stood at 1,475% (December 31, 2017: 375%) and NSFR stood at 135% (December 31, 2017: 133%) against the SBP's minimum requirement of 90% and 100% respectively.

# 16. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue in the Board of Directors meeting held on

# 3 1 OCT 2018

### 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

Augus Man Director