



KPMG Taseer Hadi & Co.
Chartered Accountants

Pak China Investment Company Limited

Condensed interim financial information for the six month
period ended 30 June 2016



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Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pak China Investment Company Limited** ("the Company") as at 30 June 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the three months periods ended 30 June 2016 and 30 June 2015, in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Date: 12 August 2016
Islamabad


KPMG Taseer Hadi & Co.
Chartered Accountants
Atif Zamurrad Malik

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	30 June 2016 (Un-audited)	31 December 2015 (Audited)
Note	(Rupees)	
ASSETS		
Cash and balances with treasury banks	190,886,916	116,864,752
Balances with other banks	2,222,217,991	2,033,472,081
Lendings to financial institutions	-	-
Investments	12,739,840,309	12,091,247,041
Advances	5,993,252,887	5,707,733,436
Operating fixed assets	181,310,021	183,466,497
Deferred tax assets	26,810,408	5,605,027
Other assets	253,667,404	411,026,743
	21,607,985,936	20,549,415,577
LIABILITIES		
Bills payable	-	-
Borrowings	7,713,673,029	6,903,225,721
Deposits and other accounts	-	-
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Other liabilities	131,822,513	84,984,474
	7,845,495,542	6,988,210,195
NET ASSETS	13,762,490,394	13,561,205,382
REPRESENTED BY		
Share capital	9,116,400,000	9,116,400,000
Reserve	912,024,231	854,266,780
Unappropriated profit	3,645,806,053	3,414,776,247
	13,674,230,284	13,385,443,027
Surplus on revaluation of assets - net of tax	88,260,110	175,762,355
	13,762,490,394	13,561,205,382
CONTINGENCIES AND COMMITMENTS	14	

The annexed notes, from 1 to 21, form an integral part of this condensed interim financial information.



 Chairman



 Managing Director



 Director



 Director

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PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2016

	30 June 2016		30 June 2015		
	For the quarter ended	For the half year ended	For the quarter ended	For the half year ended	
Note	------(Rupees)-----				
Mark-up / return / interest earned	15	280,387,248	538,632,086	393,096,558	832,814,679
Mark-up / return / interest expensed	16	(57,156,135)	(127,133,294)	(88,851,769)	(225,587,048)
Net mark-up / interest income		223,231,113	411,498,792	304,244,789	607,227,631
Provision against non-performing loans and advances		1,183,251	23,089,987	13,356,345	44,739,637
Provision for diminution in the value of investments		-	-	14,447,000	24,157,000
Bad debts written-off directly		-	-	-	-
Net mark-up / interest income after provisions		222,047,862	388,408,805	276,441,444	538,330,994
NON MARK-UP/INTEREST INCOME					
Fee, commission and brokerage income		7,144,646	18,396,593	5,186,888	5,861,888
Dividend income		-	-	-	-
Exchange (loss)/ gain		(997,664)	1,704,952	-	20,136,794
Gain on sale of securities		77,670,719	185,842,325	71,560,234	120,741,685
Other income		2,320,247	4,594,727	2,201,140	4,307,140
Total non mark-up / interest income		86,137,948	210,538,597	78,948,262	151,047,507
NON MARK-UP/INTEREST EXPENSES					
Administrative expenses		76,276,503	141,837,381	66,106,679	137,848,992
Impairment loss on available for sale investments		164,955	1,392,956	-	2,500,000
Other provisions/write offs		-	-	-	-
Other charges		-	-	-	-
Total non mark-up/interest expenses		76,441,458	143,230,337	66,106,679	140,348,992
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		231,744,352	455,717,065	289,283,027	549,029,509
TAXATION					
- Current		67,690,649	137,419,192	99,161,987	172,564,765
- Prior		28,733,177	28,733,177	24,442,886	24,442,886
- Deferred		(237,011)	777,439	6,789,408	9,020,771
		96,186,815	166,929,808	130,394,281	206,028,422
PROFIT AFTER TAXATION		135,557,537	288,787,257	158,888,746	343,001,087
Basic and diluted earnings per share		0.15	0.32	0.17	0.38

The annexed notes, from 1 to 21, form an integral part of this condensed interim financial information.

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 Chairman



 Managing Director



 Director



 Director

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2016

	30 June 2016		30 June 2015	
	For the quarter ended	For the half year ended	For the quarter ended	For the half year ended
	(Rupees)			
Net profit after taxation	135,557,537	288,787,257	158,888,746	343,001,087
Items that will never be reclassified subsequently to profit and loss account	-	-	-	-
Comprehensive Income transferred to equity	<u>135,557,537</u>	<u>288,787,257</u>	<u>158,888,746</u>	<u>343,001,087</u>
Components of comprehensive income not reflected in equity				
Net change on remeasurement of available for sale investment to fair value	(69,469,481)	(109,485,066)	173,124,007	33,132,846
Deferred tax	16,695,964	21,982,821	(45,425,318)	(44,768,358)
Total Comprehensive Income	<u>82,784,020</u>	<u>201,285,012</u>	<u>286,587,435</u>	<u>331,365,575</u>

The annexed notes, from 1 to 21, form an integral part of this condensed interim financial information.

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Chairman


Managing Director


Director


Director

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2016

	June 30 2016	June 30 2015
	For the Half Year ended	For the Half Year ended
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	455,717,065	549,029,509
Adjustments for non-cash items		
Depreciation	8,679,619	9,058,783
Amortization	75,464	11,931
Provision against non-performing loans and advances	23,089,987	44,739,637
Provision for diminution in the value of available-for-sale investments	-	24,157,000
Impairment loss on available-for-sale investments	1,392,956	2,500,000
Gain on sale of fixed assets	(45,772)	(55,140)
Provision for gratuity	3,825,312	4,204,998
	<u>492,734,631</u>	<u>633,646,718</u>
(Increase) / decrease in operating assets		
Advances	<u>(308,609,438)</u>	<u>(476,749,376)</u>
Other assets (excluding current taxation)	<u>157,359,339</u>	<u>113,799,872</u>
	<u>(151,250,099)</u>	<u>(362,949,504)</u>
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	<u>810,447,308</u>	<u>(1,907,638,263)</u>
Other liabilities (excluding current taxation)	<u>(9,637,398)</u>	<u>(12,178,096)</u>
	<u>800,809,910</u>	<u>(1,919,816,359)</u>
	<u>1,142,294,442</u>	<u>(1,649,119,145)</u>
Gratuity paid	<u>(3,826,882)</u>	<u>(8,075,218)</u>
Income tax paid	<u>(124,103,299)</u>	<u>(178,882,331)</u>
Net cash inflows / (outflows) from operating activities	<u>1,014,364,261</u>	<u>(1,836,076,694)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment (made) / realized during the period - net	<u>(745,043,352)</u>	<u>1,949,735,990</u>
Investments in operating fixed assets	<u>(6,598,607)</u>	<u>(735,557)</u>
Sale proceed of fixed assets	<u>45,772</u>	<u>55,142</u>
Net cash outflows from investing activities	<u>(751,596,187)</u>	<u>1,949,055,575</u>
Increase in cash and cash equivalents	<u>262,768,074</u>	<u>112,978,881</u>
Cash and cash equivalents at the beginning of the period	<u>2,150,336,833</u>	<u>1,934,117,796</u>
Cash and cash equivalents at the end of the period	<u>2,413,104,907</u>	<u>2,047,096,677</u>

The annexed notes, from 1 to 21, form an integral part of this condensed interim financial information.


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 Chairman



 Managing Director



 Director



 Director

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Share capital	Statutory reserve	Unappropriated profit	Total
	----- (Rupees) -----			
Balance as at 01 January 2015	9,116,400,000	729,567,931	2,915,980,853	12,761,948,784
Total comprehensive income for the period	-	-	343,001,087	343,001,087
Transfer to statutory reserve	-	68,600,217	(68,600,217)	-
Balance as at 30 June 2015	9,116,400,000	798,168,148	3,190,381,723	13,104,949,871
Profit for the period	-	-	277,822,322	277,822,322
Re-measurement gains on defined benefits plans	-	-	2,670,834	2,670,834
Total comprehensive income for the period	-	-	280,493,156	280,493,156
Transfer to statutory reserve	-	56,098,632	(56,098,632)	-
Balance as at 31 December 2015	9,116,400,000	854,266,780	3,414,776,247	13,385,443,027
Total comprehensive income for the period	-	-	288,787,257	288,787,257
Transfer to statutory reserve	-	57,757,451	(57,757,451)	-
Balance as at 30 June 2016	9,116,400,000	912,024,231	3,645,806,053	13,674,230,284

According to BPD Circular No. 15 dated 31 May 2004 issued by SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund till such time the reserve fund equals the amount of paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to statutory reserve. Accordingly, the Company has transferred 20% of its after tax profit for the year to statutory reserve.

The annexed notes, from 1 to 21, form an integral part of this condensed interim financial information.


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 Chairman



 Managing Director



 Director



 Director

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 30 JUNE 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak China Investment Company Limited ("the Company") was incorporated in Pakistan as a public limited company on 27 July, 2007. The registered office of the Company is situated at 13th Floor, Saudi Pak Tower, Blue Area, Islamabad. The Company is a 50:50 joint venture between the 'Government of China' and 'Government of Pakistan', through China Development Bank and the Ministry of Finance, Government of Pakistan respectively. The objective of the Company is to invest in infrastructure projects, both directly and through the establishment of various subsidiary companies.

The Company has commenced business after obtaining a Certificate of Commencement of Business from the Securities and Exchange Commission of Pakistan (SECP), on 02 November, 2007, and a permission to commence business from the State Bank of Pakistan (SBP), on 10 January, 2008.

2 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under historical cost convention except that certain investments are stated at fair values. Certain staff retirement benefits are carried at present value. This condensed interim financial information is presented in Pak Rupee which is the Bank's functional and presentation currency.

3 STATEMENT OF COMPLIANCE

3.1 This condensed interim financial information of the Company have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984 and directives issued by the SECP and SBP. In case requirements differ, the provisions of the Companies Ordinance, 1984 and the said directives have been followed.

3.2 The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated 12 May, 2004 and IAS 34 - "Interim Financial Reporting", and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company, for the year ended 31 December, 2015. Comparative balance sheet is extracted from annual financial statements as of 31 December, 2015 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from un-audited condensed interim financial information of the Company for the six months period ended 30 June 2015.

3.3 The SBP, vide BSD Circular letter no. 11, dated 11 September, 2002 has deferred the applicability of IAS -39, "Financial Instruments: Recognition and Measurement" and IAS 40 - "Investment Property" for banks/DFIs till further instructions. Further, the SECP has deferred the applicability of IFRS - 7 "Financial Instruments: Disclosures". Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified, accounted for and valued in accordance with the requirements of various circulars issued by the SBP.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2015.

5 ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2015.

6 FINANCIAL RISK MANAGEMENT

The financial risk management policies and objectives adopted by the Company are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2015.

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7 INVESTMENTS

Note	30 June 2016 (Un-audited)			31 December 2015 (Audited)		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
	(Rupees)					
Available-for-sale securities						
Pakistan Investment Bonds	23,579,600	1,200,920,400	1,224,500,000	1,519,670,000	2,165,440,000	3,685,110,000
Market Treasury Bills	2,044,819,990	6,303,531,510	8,348,351,500	1,454,233,590	4,744,840,410	6,199,074,000
Mutual Funds	1,100,000,000	-	1,100,000,000	1,000,106,914	-	1,000,106,914
Term Finance Certificates	966,342,302	-	966,342,302	876,764,364	-	876,764,364
Ordinary shares of listed company	90,744,062	-	90,744,062	92,137,018	-	92,137,018
Ordinary shares of unlisted company	250,000,000	-	250,000,000	-	-	-
Sukuks	1,009,253,319	-	1,009,253,319	377,920,553	-	377,920,553
Total Investments at cost	5,484,739,273	7,504,451,910	12,989,191,183	5,320,832,439	6,910,280,410	12,231,112,849
Less : Provision for diminution in the value of investments	369,434,062	-	369,434,062	369,434,062	-	369,434,062
Total Investments (net of provisions)	5,115,305,211	7,504,451,910	12,619,757,121	4,951,398,377	6,910,280,410	11,861,678,787
Surplus on revaluation of available for sale investments	123,644,885	(3,561,697)	120,083,188	162,447,139	67,121,115	229,568,254
Total investments after revaluation	5,238,950,096	7,500,890,213	12,739,840,309	5,113,845,516	6,977,401,525	12,091,247,041

- 7.1 This represents an investment in 11,832,836 ordinary shares of Rs. 10 each of Agritech Limited costing to Rs. 364.149 million. The market value of these shares as at June 30, 2016 was Rs.101.644 million (31 December 2015: 110.637 million). During the period, the Company has recognized an impairment loss of Rs. 1.393 million against these shares, being the difference between the cost and market value of these shares. (31 December 2015 : Rs. 6.111 million).
- 7.2 This represents purchase of 3,250,000 ordinary shares of Rs. 10 each of Central Depository Company of Pakistan Limited (CDC) representing 5% of the equity at a price of Rs. 76.92 per share, from Citi Overseas Investment Corporation. Shares were transferred to the Company on 24 June 2016. As per latest available financial statements of CDC for the year ended 30 June 2015, break-up value of CDC is Rs. 40.10 per share. However value in use worked out by the management for this investment is higher than the cost, nonetheless management has applied to the State Bank of Pakistan (SBP) for relaxation from the requirements of Prudential Regulation -8 for this investment.

7.3 Particulars of provision for diminution in the value of investments	30 June 2016	31 December 2015
	(Un-audited)	(Audited)
	(Rupees)	
Opening balance	369,434,062	296,453,305
Charge for the period / year	-	72,980,757
	<u>369,434,062</u>	<u>369,434,062</u>

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8	ADVANCES	Note	30 June 2016	31 December 2015
			(Un-audited)	(Audited)
			(Rupees)	
	Loans, cash, credits, running finances, etc.			
	In Pakistan	8.1	6,826,542,782	6,327,760,063
	Staff loans		35,799,518	25,972,799
			6,862,342,300	6,353,732,862
	Provision against non-performing loans and advances			
	Specific provision	8.2	(561,028,851)	(532,500,000)
	General provision	8.2	(108,089,762)	(113,499,426)
			(669,089,413)	(645,999,426)
	Advances (net of provisions)		5,993,252,887	5,707,733,436

8.1 Advances include Rs.1,224.168 million (31 December 2015: Rs. 652.789 million), placed under non-performing status as detailed below:

	Rupees				
	Domestic	Overseas	Total	Specific provision required	Specific provision held
(Rupees)					
30 June 2016 (Un-audited)					
Category of classification					
Substandard	578,703,017	-	578,703,017	27,865,087	27,865,087
Doubtful	262,301,683	-	262,301,683	150,000,000	150,000,000
Loss	383,163,564	-	383,163,564	383,163,564	383,163,564
	1,224,168,264	-	1,224,168,264	561,028,651	561,028,651
31 December 2015 (Audited)					
Category of classification					
Substandard	-	-	-	-	-
Doubtful	270,288,783	-	270,288,783	150,000,000	150,000,000
Loss	382,500,000	-	382,500,000	382,500,000	382,500,000
	652,788,783	-	652,788,783	532,500,000	532,500,000

8.2 Movement in provision against non-performing advances is as follows:

	30 June 2016 (Un-audited)			31 December 2015 (Audited)		
	Specific	General	Total	Specific	General	Total
(Rupees)						
Opening balance	532,500,000	113,499,426	645,999,426	482,004,185	115,185,427	597,189,612
Charge/ (reversal) for the period / year	28,528,651	(5,438,664)	23,089,987	58,857,000	(1,686,001)	57,170,999
Reversed for the period / year	-	-	-	(8,361,185)	-	(8,361,185)
	561,028,651	108,060,762	669,089,413	532,500,000	113,499,426	645,999,426

8.3 The Company has availed Forced Sale Value (FSV) benefit of Rs. 116,810,667 during the period. This FSV benefit is not available for cash, stock dividend or payments to employee for bonus.

9	OPERATING FIXED ASSETS	Note	30 June 2016	31 December 2015
			(Un-audited)	(Audited)
			(Rupees)	
	Opening written down value		183,466,497	199,423,479
	Additions during the period	9.1	6,598,607	2,411,846
	Disposals	9.1	(540,374)	(2,669,225)
	Depreciation / amortization	9.1	(8,755,083)	(18,006,205)
	Depreciation / amortization on disposed off items		540,374	2,306,602
			181,310,021	183,466,497

9.1 Additions, disposals at cost and depreciation / amortization for the half year ended 30 June 2015 amounted to Rs. 735,557, Rs. 735,232 and Rs.9,070,714 respectively.

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10	MOVEMENT IN DEFERRED TAX ASSET / (LIABILITIES)	30 June 2016 (Un-audited)			
		1 January 2016	Recognized in profit and loss account	Recognized in equity	30 June 2016
----- (Rupees) -----					
	Difference between accounting book value and tax base of operating fixed assets	4,754,905	(683,372)	-	4,071,533
	Unrealized exchange gain	(110,005,931)	(511,485)	-	(110,517,416)
	Provision for staff retirements gratuity	1,148,065	(471)	-	1,147,594
	Provision against non-performing advances	15,000,000	-	-	15,000,000
	Provision for diminution in the value of investments	110,830,219	-	-	110,830,219
	Impairment loss on investments	37,683,668	417,889	-	38,101,554
	Surplus on revaluation of securities	(53,805,899)	-	21,882,820	(31,923,076)
		<u>5,605,027</u>	<u>(777,439)</u>	<u>21,982,820</u>	<u>26,810,408</u>
31 December 2015 (Audited)					
		1 January 2016	Recognized in profit and loss account	Recognized in equity	31 December 2015
----- (Rupees) -----					
	Difference between accounting book value and tax base of operating fixed assets	3,034,446	1,720,459	-	4,754,905
	Unrealized exchange gain	(100,904,322)	(9,101,609)	-	(110,005,931)
	Provision for staff retirements gratuity	2,716,218	(1,568,153)	-	1,148,065
	Provision against non-performing advances	17,500,000	(2,500,000)	-	15,000,000
	Provision for diminution in the value of investments	103,758,657	7,071,562	-	110,830,219
	Impairment loss on investments	41,825,539	(4,141,871)	-	37,683,668
	Surplus on revaluation of securities	(25,312,528)	-	(28,493,371)	(53,805,899)
		<u>42,618,010</u>	<u>(8,519,612)</u>	<u>(28,493,371)</u>	<u>5,605,027</u>
30 June 2016 (Un-audited) 31 December 2015 (Audited)					
----- (Rupees) -----					
11	BORROWINGS				
	In Pakistan				
	Secured				
	Short-term				
	Repurchase agreement borrowings		7,508,997,105		6,744,476,430
	Long-term				
	Borrowing from SBP under financing facility for storage of agriculture products		32,884,233		41,105,291
	Borrowing from SBP under long term finance facility		-		117,644,000
	Borrowing from SBP under renewable energy power projects		171,791,691		-
			<u>7,713,673,029</u>		<u>6,903,225,721</u>
12	RESERVES				
	Statutory Reserves		912,024,231		854,266,780
	At the beginning of the period/ year		854,266,780		729,567,931
	Add : Transfer during the period/ year		67,757,451		124,698,849
			<u>912,024,231</u>		<u>854,266,780</u>
13	SURPLUS ON REVALUATION OF ASSETS - NET				
	Federal Government Securities		105,563,350		160,767,800
	Shares of listed companies		10,889,999		18,499,999
	Term Finance Certificates		3,003,554		13,130,062
	Mutual Funds		618,285		37,170,393
	Deferred tax		120,083,188		229,568,254
	Surplus on revaluation of assets - Net		(31,923,078)		(53,805,899)
			<u>88,260,110</u>		<u>175,762,355</u>
14	CONTINGENCIES AND COMMITMENTS				
	Transaction related contingent liabilities		313,600,000		-
	Letters of guarantees				
	Trade related contingent liabilities				
	Letters of credit		52,059,834		48,824,813
	Commitments				

The Company makes commitments to extend credit in the normal course of its business, but these being revocable commitments, normally do not attract any significant penalty or expense if the facility is unilaterally withdrawn. As at the balance sheet date, however, the Company's outstanding irrevocable commitments amounts to Rs. 645.793 million (2015: Rs.616.419 million). Further the Company is committed for equity investment of Rs. 250 million.

WPM/ST

	Half year ended 30 June 2016 (Un-audited)	Half year ended 30 June 2015 (Un-audited)
	(Rupees)	
15 MARK-UP / RETURN / INTEREST EARNED		
On loans and advances	234,268,833	316,798,724
On investments; - Available-for-sale	291,154,143	471,851,909
On deposits with banks	13,130,610	44,164,046
On Securities purchased under resale agreements	78,500	-
	<u>638,632,086</u>	<u>832,814,679</u>
16 MARK-UP / RETURN / INTEREST EXPENSED		
Interest expense on SBP Refinance	2,500,667	8,259,159
Interest expense on COI's	-	11,164,385
Interest expense on Clean Borrowings	45,842,445	62,743,906
Interest expense on Repo Borrowings	78,790,182	143,419,598
	<u>127,133,294</u>	<u>225,587,048</u>

17 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	Half year ended 30 June 2016 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	(Rupees)			
Total income - gross	296,933,777	432,387,323	19,849,583	749,170,683
Total expenses	(26,320,048)	(124,632,527)	(142,500,945)	(293,453,518)
Net income / (loss)	<u>270,613,731</u>	<u>307,754,796</u>	<u>(122,651,362)</u>	<u>455,717,065</u>

	Half year ended 30 June 2015 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	(Rupees)			
Total income - gross	392,472,317	586,545,412	4,844,457	983,862,186
Total expenses	(79,655,796)	(217,327,889)	(137,848,992)	(434,832,677)
Net income / (loss)	<u>312,816,521</u>	<u>369,217,523</u>	<u>(133,004,535)</u>	<u>549,029,509</u>

	Half year ended 30 June 2016 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	(Rupees)			
Segment Assets - Gross	9,259,202,189	13,137,552,933	250,754,289	22,646,509,411
Segment Non-Performing loans	1,224,188,264	-	-	1,224,188,264
Segment provision held	(1,038,623,475)	-	-	(1,038,623,475)
Segment Liabilities	(204,675,924)	(7,508,997,105)	(131,822,513)	(7,845,495,542)

	As at 31 December 2015 (Audited)			
	Corporate finance	Trading and sales	Others	Total
	(Rupees)			
Segment Assets - Gross	7,732,184,858	13,232,565,940	600,098,267	21,564,849,065
Segment Non-Performing loans	1,022,222,845	-	-	1,022,222,845
Segment provision held	(1,015,433,488)	-	-	(1,015,433,488)
Segment Liabilities	(158,749,291)	(6,744,476,430)	(84,984,474)	(6,988,210,195)

WPM/DA

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings can not be calculated with sufficient reliability due to the absence of current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values. Since these are either short term in nature or, in the case of deposits, are frequently pre-priced.

On balance sheet financial instruments

	BOOK VALUE					FAIR VALUE				
	Available for sale	Held to maturity	Held for trading	Loans and receivables	Other financial assets	Total	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2016										
Financial assets measured at fair value										
- Investments										
Government Securities (T bills and PIBs)	9,572,851,500	-	-	-	-	9,572,851,500	-	9,678,414,850	-	9,678,414,850
Ordinary shares of listed companies	90,744,062	-	-	-	-	90,744,062	101,644,061	-	-	101,644,061
Debt securities (Unlisted TFCs)	527,613,554	-	-	-	-	527,613,554	530,617,108	-	-	530,617,108
Investment in mutual fund	1,100,000,000	-	-	-	-	1,100,000,000	1,100,616,285	-	-	1,100,616,285
Financial assets not measured at fair value (note 18.1)										
- Investments										
Debt securities (Unlisted TFCs)	441,732,302	-	-	-	-	441,732,302	-	-	-	-
Investment in sukuk	1,009,253,319	-	-	-	-	1,009,253,319	-	-	-	-
Equity Securities (Unlisted Shares)	250,000,000	-	-	-	-	250,000,000	-	-	-	-
- Cash and bank balances with treasury banks	-	-	-	190,886,916	-	190,886,916	-	-	-	-
- Balances with other banks	-	-	-	2,222,217,991	-	2,222,217,991	-	-	-	-
- Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	5,993,252,887	-	5,993,252,887	-	-	-	-
- Other assets	-	-	-	217,510,202	-	217,510,202	-	-	-	-
31 December 2016										
Financial assets measured at fair value										
- Investments										
Government Securities (T bills and PIBs)	9,884,184,000	-	-	-	-	9,884,184,000	-	10,044,951,600	-	10,044,951,600
Ordinary shares of listed companies	92,137,018	-	-	-	-	92,137,018	110,637,017	-	-	110,637,017
Debt securities (Listed TFCs)	462,590,062	-	-	-	-	462,590,062	462,590,062	-	-	462,590,062
Investment in mutual fund	1,000,106,914	-	-	-	-	1,000,106,914	1,037,277,307	-	-	1,037,277,307
Financial assets not measured at fair value (note 18.1)										
- Investments										
Debt securities (Listed TFCs)	427,304,364	-	-	-	-	427,304,364	-	-	-	427,304,364
Investment in sukuk	377,920,553	-	-	-	-	377,920,553	-	-	-	377,920,553
- Cash and bank balances with treasury banks	-	-	-	116,864,752	-	116,864,752	-	-	-	-
- Balances with other banks	-	-	-	2,033,472,081	-	2,033,472,081	-	-	-	-
- Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	5,707,733,436	-	5,707,733,436	-	-	-	-
- Other assets	-	-	-	208,206,170	-	208,206,170	-	-	-	-

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On balance sheet financial instruments (continued)

	BOOK VALUE			FAIR VALUE			
	Fair Value through Profit & Loss	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2016							
Financial liabilities not measured at fair value (note 18.2)							
- Deposits	-	-	-	-	-	-	-
- Borrowings	7,713,673,029	-	7,713,673,029	-	-	-	-
- Other liabilities	-	56,511,846	56,511,846	-	-	-	-
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31 December 2015							
Financial liabilities not measured at fair value (note 18.2)							
- Deposits	-	-	-	-	-	-	-
- Borrowings	6,903,225,721	-	6,903,225,721	-	-	-	-
- Other liabilities	-	24,101,745	24,101,745	-	-	-	-

On balance sheet financial instruments

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

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

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

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

- 18.1 The Company has not disclosed the fair value for these financial assets and liabilities, as these are either for short term and or re-priced over short term. Therefore their carrying amounts are reasonable approximation of fair value.
- 18.2 The Company's policy is to recognize transfer into and out of the different fair value hierarchy levels at the date, the event or change in circumstances, that caused the transfer occurred. There were no transfers between level 1 and level 2 during the year.
- 18.3 Currently no financial instruments are classified in level 3.

WAM/SDA

19 RELATED PARTY TRANSACTIONS AND BALANCES

The Company has related party relationships with entities in which its shareholders have any interest, key management personnel, directors and employees' funds and other parties covered under prudential regulations. The Government of Pakistan (Ministry of Finance) is a related party of the Company; therefore all government authorities, agencies, affiliates and other organizations ("state-controlled entities") are related parties of the Company. Transactions with these state-controlled entities are not very significant and impracticable to quantify, for disclosure in these condensed interim financial statements. Other entities, which for its business acquisition or provision of services, relies / depends to a greater extent on the bank / DFI i.e. major portion (50% or more) of its business (upstream or downstream) is also a related party.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.

Transactions and balances with related parties are as follows:

	Half year ended 30 June 2016 (Un-audited)	31 December 2015 (Audited)
	(Rupees)	
Balance as at the period / year end		
Payable to gratuity fund Trust	3,825,312	3,826,882
Advances principal outstanding	108,208,309	300,000,000
Markup receivable	5,783,608	5,661,123
Receivable from Director	249,994	499,996
	Half year ended 30 June 2016 (Un-audited)	Half year ended 30 June 2015 (Un-audited)
	(Rupees)	
Transactions during the period		
Remuneration of key management personal	38,099,393	30,729,553
Directors fees	1,267,620	616,200
Contribution to employees' funds	6,828,699	7,102,230
Rent paid	35,774,640	-
Borrowings from DFI's	2,981,742,616	2,063,474,125
Interest expensed on borrowings from DFI's	1,045,905	1,221,050
Markup received	13,509,724	5,594,035
Other receipts	-	2,765,524

20 GENERAL

Figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income, for the quarters ended 30 June 2016 and 30 June 2015 are not subjected to limited review by the auditors.

21 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on

12 AUG 2016

W.M.H.A.


Chairman


Managing Director


Director


Director