



# **Condensed Interim Financial Statements**

**For the Nine Months ended 30 September 2016**

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

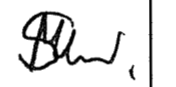
	30 September 2016 (Un-audited)	31 December 2015 (Audited)
Note	----- (Rupees) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	20,282,481	116,864,752
Balances with other banks	1,094,741,838	2,033,472,081
Lendings to financial institutions	-	-
Investments	10,797,669,186	12,091,247,041
Advances	5,636,871,464	5,707,733,436
Operating fixed assets	178,531,529	183,466,497
Deferred tax assets	121,586,980	5,605,027
Other assets	216,027,951	411,026,743
	<b>18,065,711,429</b>	<b>20,549,415,577</b>
<b>LIABILITIES</b>		
Bills payable	-	-
Borrowings	3,930,243,616	6,903,225,721
Deposits and other accounts	-	-
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Other liabilities	188,192,469	84,984,474
	<b>4,118,436,085</b>	<b>6,988,210,195</b>
<b>NET ASSETS</b>	<b>13,947,275,344</b>	<b>13,561,205,382</b>
<b>REPRESENTED BY</b>		
Share capital	9,116,400,000	9,116,400,000
Reserve	935,665,306	854,266,780
Unappropriated profit	3,740,370,351	3,414,776,247
	<b>13,792,435,657</b>	<b>13,385,443,027</b>
Surplus on revaluation of assets - net of tax	154,839,687	175,762,355
	<b>13,947,275,344</b>	<b>13,561,205,382</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14	

The annexed notes, from 1 to 19, form an integral part of these condensed interim financial statements.

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Managing Director

  
 \_\_\_\_\_  
 Director

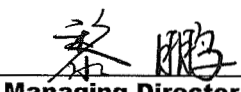
  
 \_\_\_\_\_  
 Director

**PAK CHINA INVESTMENT COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2015**

	30 September, 2016		30 September, 2015	
	For the quarter ended	For the Nine Months ended	For the quarter ended	For the Nine Months ended
Note	------(Rupees)-----			
Mark-up / return / interest earned	15 318,413,155	857,045,241	381,718,065	1,214,532,744
Mark-up / return / interest expensed	16 (107,754,808)	(234,888,102)	(91,902,619)	(317,439,667)
<b>Net mark-up / interest income</b>	<b>210,658,347</b>	<b>622,157,139</b>	<b>289,815,446</b>	<b>897,043,077</b>
Provision against non-performing loans and advances	(7,263,232)	15,826,755	(13,451,412)	31,288,225
Provision for diminution in the value of investments	-	-	16,878,000	41,085,000
Bad debts written-off directly	-	-	-	-
	<b>(7,263,232)</b>	<b>15,826,755</b>	<b>3,426,588</b>	<b>72,323,225</b>
<b>Net mark-up / interest income after provisions</b>	<b>217,921,579</b>	<b>606,330,384</b>	<b>286,388,858</b>	<b>824,719,852</b>
<b>NON MARK-UP/INTEREST INCOME</b>				
Fee, commission and brokerage income	2,192,386	20,588,979	2,066,971	7,928,859
Dividend income	-	-	-	-
Exchange gain / (loss)	505,955	2,210,907	50,494,910	70,631,704
Gain / (Loss) on sale of securities	832,090	186,674,415	106,824	120,848,509
Other income	821,146	5,415,873	2,124,067	6,431,207
<b>Total non mark-up / interest income</b>	<b>4,351,577</b>	<b>214,890,174</b>	<b>54,792,772</b>	<b>205,840,279</b>
<b>NON MARK-UP/INTEREST EXPENSES</b>				
Administrative expenses	88,570,069	230,407,450	86,926,240	224,775,232
Impairment loss on available for sale investments	-	1,392,956	-	2,500,000
Other provisions/write offs	-	-	-	-
Other charges	-	-	-	-
<b>Total non mark-up/interest expenses</b>	<b>88,570,069</b>	<b>231,800,406</b>	<b>86,926,240</b>	<b>227,275,232</b>
Extra ordinary / unusual items	-	-	-	-
<b>PROFIT BEFORE TAXATION</b>	<b>133,703,087</b>	<b>589,420,152</b>	<b>254,255,390</b>	<b>803,284,899</b>
<b>TAXATION</b>				
- Current	91,247,130	228,666,322	73,175,055	245,739,820
- Prior	-	28,733,177	(3,870,990)	20,571,896
- Deferred	(75,749,416)	(74,971,977)	9,261,828	18,282,599
	<b>15,497,714</b>	<b>182,427,522</b>	<b>78,565,893</b>	<b>284,594,315</b>
<b>PROFIT AFTER TAXATION</b>	<b>118,205,373</b>	<b>406,992,630</b>	<b>175,689,497</b>	<b>518,690,584</b>
<b>Basic and diluted earnings per share</b>	<b>0.13</b>	<b>0.45</b>	<b>0.09</b>	<b>0.57</b>

The annexed notes, from 1 to 19, form an integral part of these condensed interim financial statements.

  
Chairman

  
Managing Director

  
Director

  
Director

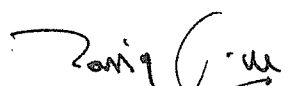
**PAK CHINA INVESTMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 30 SEPTEMBER 2016**


	30 September 2016		30 September, 2015	
	For the quarter ended	For the nine months ended	For the quarter ended	For the nine months ended
	------(Rupees)-----			
<b>Net profit after taxation</b>	253,762,910	406,992,630	175,689,497	518,690,584
Items that will never be reclassified subsequently to profit and loss account	-	-	-	-
<b>Comprehensive income transferred to equity</b>	<u>253,762,910</u>	<u>406,992,630</u>	<u>175,689,497</u>	<u>518,690,584</u>
<b>Components of comprehensive income not reflected in equity</b>				
Net change in fair value of available-for-sale securities - net of tax	66,579,577	(20,922,668)	15,183,105	3,547,593
<b>Total Comprehensive Income</b>	<u>320,342,487</u>	<u>386,069,962</u>	<u>190,872,602</u>	<u>522,238,177</u>

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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 SEPTEMBER 2016**

	30 September 2016	30 September, 2015
	For the nine months ended	For the nine months ended
	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	589,420,152	803,284,899
Adjustments for non-cash items		
Depreciation	12,319,469	13,442,835
Amortization	116,996	47,762
Provision against non-performing loans and advances	15,826,755	31,288,225
Provision for diminution in the value of available-for-sale investments	-	41,035,000
Impairment loss on available-for-sale investments	1,392,956	2,500,000
(Gain) / loss on sale of fixed assets	(45,772)	284,449
Provision for gratuity	5,737,968	6,236,055
	<u>624,768,524</u>	<u>898,119,225</u>
Decrease / (Increase) in operating assets		
Advances	55,035,217	(150,833,185)
Other assets (excluding current taxation)	202,292,035	201,876,802
	<u>257,327,252</u>	<u>51,043,617</u>
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	(2,972,982,105)	(1,611,527,404)
Deposits and other accounts	-	(250,000,000)
Other liabilities (excluding current taxation)	(977,855)	8,646,261
	<u>(2,973,959,960)</u>	<u>(1,852,881,143)</u>
	<u>(2,091,864,184)</u>	<u>(903,718,301)</u>
Gratuity paid	(3,826,882)	(11,254,147)
Income tax paid	(176,845,915)	(274,380,594)
Net cash inflows / (outflows) from operating activities	<u>(2,272,536,981)</u>	<u>(1,189,353,042)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment (made) / realized during the period - net	1,244,680,192	1,261,092,181
Investments in operating fixed assets	(7,501,497)	(1,051,846)
Sale proceed of property & equipment	45,772	78,099
Net cash outflows from investing activities	<u>1,237,224,467</u>	<u>1,260,118,434</u>
Decrease in cash and cash equivalents	<u>(1,035,312,514)</u>	<u>70,765,392</u>
Cash and cash equivalents at the beginning of the period	<u>2,150,336,833</u>	<u>1,934,117,796</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>1,115,024,319</u></u>	<u><u>2,004,883,188</u></u>

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Chairman

Managing Director

Director

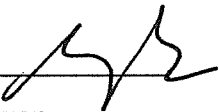
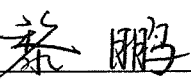
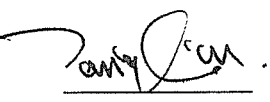

Director

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

	Share capital	Statutory reserve	Unappropriated profit	Total
	------(Rupees)-----			
<b>Balance as at 01 January 2015</b>	9,116,400,000	729,567,931	2,915,980,853	12,761,948,784
Total comprehensive income for the period	-	-	518,690,584	518,690,584
Transfer to statutory reserve	-	103,738,117	(103,738,117)	-
<b>Balance as at 30 September 2015</b>	<b>9,116,400,000</b>	<b>833,306,048</b>	<b>3,330,933,320</b>	<b>13,280,639,368</b>
Profit for the period	-	-	102,132,825	102,132,825
Re-measurement gains on defined benefits plans	-	-	2,670,834	2,670,834
Total comprehensive income for the period	-	-	104,803,659	104,803,659
Transfer to statutory reserve	-	20,960,732	(20,960,732)	-
<b>Balance as at 31 December 2015</b>	<b>9,116,400,000</b>	<b>854,266,780</b>	<b>3,414,776,247</b>	<b>13,385,443,027</b>
Total comprehensive income for the period	-	-	406,992,630	406,992,630
Transfer to statutory reserve	-	81,398,526	(81,398,526)	-
<b>Balance as at 30 September 2016</b>	<b>9,116,400,000</b>	<b>935,665,306</b>	<b>3,740,370,351</b>	<b>13,792,435,657</b>

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 19, form an integral part of these condensed interim financial statements.

			
Chairman	Managing Director	Director	Director

**PAK CHINA INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE HALF YEAR ENDED 30 SEPTEMBER 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** These condensed interim financial statements 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 these condensed interim financial statements 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 September 30, 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 these 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 these condensed interim financial statements 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.

## 7 INVESTMENTS

Note	30 September 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	1,224,500,000	-	1,224,500,000	1,519,670,000	2,165,440,000	3,685,110,000
Market Treasury Bills	2,238,500,750	3,733,632,250	5,972,133,000	1,454,233,590	4,744,840,410	6,199,074,000
Mutual Funds	1,500,000,000	-	1,500,000,000	1,000,106,914	-	1,000,106,914
Term Finance Certificates	966,307,302	-	966,307,302	876,764,364	-	876,764,364
Ordinary shares of listed company	7.1 90,744,062	-	90,744,062	92,137,018	-	92,137,018
Ordinary shares of unlisted company	7.2 250,000,000	-	250,000,000	-	-	-
Sukuks	995,783,275	-	995,783,275	377,920,553	-	377,920,553
<b>Total Investments at cost</b>	<b>7,265,835,389</b>	<b>3,733,632,250</b>	<b>10,999,467,639</b>	<b>5,320,832,439</b>	<b>6,910,280,410</b>	<b>12,231,112,849</b>
Less : Provision for diminution in the value of investments	7.3 369,434,062	-	369,434,062	369,434,062	-	369,434,062
<b>Total Investments (net of provisions)</b>	<b>6,896,401,327</b>	<b>3,733,632,250</b>	<b>10,630,033,577</b>	<b>4,951,398,377</b>	<b>6,910,280,410</b>	<b>11,861,678,787</b>
Surplus on revaluation of available for sale investments	167,486,609	149,000	167,635,609	162,447,139	67,121,115	229,568,254
<b>Total investments after revaluation</b>	<b>7,063,887,936</b>	<b>3,733,781,250</b>	<b>10,797,669,186</b>	<b>5,113,845,516</b>	<b>6,977,401,525</b>	<b>12,091,247,041</b>

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 September 30, 2016 was Rs.156.667 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 an investment in 3,250,000 ordinary shares of Rs. 10 each of Central Depository Company of Pakistan (CDC), representing 5% shareholding. These shares were purchased from Citi Overseas Investment Corporation at a price of Rs. 76.92/share.

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



8	ADVANCES	Note	30 September 2016	31 December 2015
			(Un-audited)	(Audited)
			----- (Rupees) -----	
	Loans, cash, credits, running finances, etc.			
	In Pakistan	8.1	6,263,381,203	6,327,760,063
	Staff loans		35,316,442	25,972,799
			<b>6,298,697,645</b>	<b>6,353,732,862</b>
	Provision against non-performing loans and advances			
	Specific provision	8.2	561,028,651	532,500,000
	General provision	8.2	100,797,530	113,499,426
			<b>661,826,181</b>	<b>645,999,426</b>
	<b>Advances (net of provisions)</b>		<b>5,636,871,464</b>	<b>5,707,733,436</b>

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) -----				
<b>30 September 2016 (Un-audited)</b>					
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
	<b>1,224,168,264</b>	<b>-</b>	<b>1,224,168,264</b>	<b>561,028,651</b>	<b>561,028,651</b>
<b>31 December 2015 (Audited)</b>					
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
	<b>652,788,783</b>	<b>-</b>	<b>652,788,783</b>	<b>532,500,000</b>	<b>532,500,000</b>

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

	30 September 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 for the period / year	28,528,651	(12,701,896)	15,826,755	58,857,000	(1,686,001)	57,170,999
Reversed for the period / year	-	-	-	(8,361,185)	-	(8,361,185)
	<b>561,028,651</b>	<b>100,797,530</b>	<b>661,826,181</b>	<b>532,500,000</b>	<b>113,499,426</b>	<b>645,999,426</b>

9	OPERATING FIXED ASSETS	Note	30 September 2016	31 December 2015
			(Un-audited)	(Audited)
			----- (Rupees) -----	
	Opening written down value		183,466,497	199,423,479
	Additions during the period		7,501,497	2,411,846
	Disposals		(540,374)	(2,669,225)
	Depreciation / amortization		(12,436,465)	(18,006,205)
	Depreciation / amortization on disposed off items		540,374	2,306,602
			<b>178,531,529</b>	<b>183,466,497</b>

		30 September 2016 (Un-audited)			
10	MOVEMENT IN DEFERRED TAX ASSET / (LIABILITIES)	1 January 2016	Recognized in profit and loss account	Recognized in equity	30 September 2016
		------(Rupees)-----			
	Difference between accounting book value and tax base of operating fixed assets	4,754,905	314,482	-	5,069,387
	Unrealized exchange gain	(110,005,931)	68,918,255	-	(41,087,676)
	Provision for staff retirements gratuity	1,148,065	573,325	-	1,721,390
	Provision against non-performing advances	15,000,000	4,748,027	-	19,748,027
	Provision for diminution in the value of investments	110,830,219	-	-	110,830,219
	Impairment loss on investments	37,683,668	417,886	-	38,101,554
	Surplus on revaluation of securities	(53,805,899)	-	41,009,977	(12,795,922)
		<u>5,605,027</u>	<u>74,971,976</u>	<u>41,009,977</u>	<u>121,586,980</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 September 2016 (Un-audited)	31 December 2015 (Audited)		
		------(Rupees)-----			
11	<b>BORROWINGS</b>				
	<b>In Pakistan</b>				
	<b>Secured</b>				
	Short-term				
	Repurchase agreement borrowings	3,733,788,750		6,744,476,430	
	Long-term				
	Borrowing from SBP under financing facility for storage of agriculture products	24,663,175		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>3,930,243,616</u>		<u>6,903,225,721</u>	
12	<b>RESERVES</b>				
	Statutory Reserves				
		935,665,306		854,266,780	
	At the beginning of the year	854,266,780		729,567,931	
	Add : Transfer during the year	81,398,526		124,698,849	
		<u>935,665,306</u>		<u>854,266,780</u>	
13	<b>SURPLUS ON REVALUATION OF ASSETS - NET</b>				
	Federal Government Securities	84,272,200		160,767,800	
	Shares of listed companies	65,922,687		18,499,999	
	Term Finance Certificates	(2,083,033)		13,130,062	
	Mutual Funds	19,523,755		37,170,393	
		<u>167,635,609</u>		<u>229,568,254</u>	
	Deferred tax	(12,795,922)		(53,805,899)	
	Surplus on revaluation of assets - Net	<u>154,839,687</u>		<u>175,762,355</u>	
14	<b>CONTINGENCIES AND COMMITMENTS</b>				
	<b>Transaction related contingent liabilities</b>		313,500,000	-	
	Letters of guarantees				
	<b>Trade related contingent liabilities</b>				
	Letters of credit		<u>40,808,979</u>	<u>48,824,813</u>	
	<b>Commitments</b>				
	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 1,401.270 million (2015: Rs.616.419 million).				

	Nine months ended 30 September 2016 (Un-audited)	Nine months ended 30 September 2015 (Un-audited)
	----- (Rupees) -----	
<b>15 MARK-UP / RETURN / INTEREST EARNED</b>		
On loans and advances	345,238,113	459,232,117
On investments; - Available-for-sale	476,429,089	697,326,707
On deposits with banks	35,299,539	57,973,920
On Securities purchased under resale agreements	78,500	-
	<u>857,045,241</u>	<u>1,214,532,744</u>
<b>16 MARK-UP / RETURN / INTEREST EXPENSED</b>		
Interest expense on SBP Refinance	3,958,994	11,799,785
Interest expense on COI's	-	13,938,357
Interest expense on Clean Borrowings	80,197,389	102,838,544
Interest expense on Repo Borrowings	150,731,719	188,912,981
	<u>234,888,102</u>	<u>317,489,667</u>

**17 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

	Nine months ended 30 September 2016 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	----- (Rupees) -----			
Total income - gross	438,845,283	605,555,390	27,534,742	1,071,935,415
Total expenses	(20,515,142)	(230,929,108)	(231,071,013)	(482,515,263)
Net income / (loss)	<u>418,330,141</u>	<u>374,626,282</u>	<u>(203,536,271)</u>	<u>589,420,152</u>

	Nine months ended 30 September 2015 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	----- (Rupees) -----			
Total income - gross	559,583,427	724,949,624	135,839,972	1,420,373,023
Total expenses	(86,623,010)	(305,689,882)	(224,775,232)	(617,088,124)
Net income / (loss)	<u>472,960,417</u>	<u>419,259,742</u>	<u>(88,935,260)</u>	<u>803,284,899</u>

	Nine months ended 30 September 2016 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	----- (Rupees) -----			
Segment Assets - Gross	8,928,331,113	9,827,522,606	341,117,953	19,096,971,672
Segment Non-Performing loans	1,593,602,326	-	-	1,593,602,326
Segment provision held including General provision	(1,031,260,243)	-	-	(1,031,260,243)
Segment Liabilities	(196,454,866)	(3,733,788,750)	(188,192,469)	(4,118,436,085)

	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 including General provision	(1,015,433,488)	-	-	(1,015,433,488)
Segment Liabilities	(158,749,291)	(6,744,476,430)	(84,984,474)	(6,988,210,195)

## 18 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. 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:

	Nine months ended 30 September 2016 (Un-audited)	31 December 2015 (Audited)
	------(Rupees)-----	
<b>Balance as at the period / year end</b>		
Payable to gratuity fund Trust	5,737,968	3,826,882
Advances principal outstanding	300,073,548	300,000,000
Markup receivable	4,440,817	5,661,123
Receivable from Director	124,993	499,996
	Nine months ended 30 September 2016 (Un-audited)	Nine months ended 30 September 2015 (Un-audited)
	------(Rupees)-----	
<b>Transactions during the period</b>		
Remuneration of key management personal	61,347,401	52,590,910
Directors fees	1,899,420	921,600
Contribution to employees' funds	10,396,464	10,737,846
Rent paid	35,774,640	-
Rent expensed	13,415,490	12,805,695
Received from Director	375,003	375,003
Borrowings from DFI's	3,714,136,621	3,607,985,974
Interest expensed on borrowings from DFI's	1,206,109	1,843,001
Markup Received	20,134,203	11,280,944
Other Receipts	-	2,873,603

## 19 DATE OF AUTHORISATION

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

**28 OCT 2016**

Chairman

Managing Director

Director

Director