



Building a better
working world

PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2016

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk



Directors' Review

The Board of Directors (the Board) is pleased to present the condensed interim financial statements of Pak Libya Holding Company (Private) Limited (the Company) for the half year ended 30 June 2016 together with Directors' review thereon.

Performance review

The Company earned a profit before tax of PKR 1,030.1 million during the period under review as against PKR 297.4 million in the corresponding period last year.

The extraordinary results reflect the success in securing the assets of Kamoki Energy Limited (KEL), implementing approved business plan, prudent allocation of available resources towards profitable avenues, continuous monitoring of the existing portfolio as well as strong recovery efforts for non-performing and troubled assets.

Gross mark-up income during the period was PKR 612.7 million, a decrease of approx. 12.4% compared to same period last year due to declining interest rates.

During the period, the Company generated net cash flows from operating activities of PKR 1,794.7 million. The cash inflow enabled the Company to invest in more profitable activities. The total assets of the Company have increased to PKR 18,196 million – an increase of over PKR 2,922 million compared to financial yearend 2015.

The summarised financial results for the period are as follows:

Description	Half year ended 30 June 2016	Half year ended 30 June 2015
	PKR '000	
Profit before taxation	1,030,131	297,434
Taxation	95,052	102,041
Profit after taxation	935,079	195,393
Earnings per share (Rupees)	1,522.49	318.14

Comments of Auditors in Review Report

The external auditors, without qualifying their conclusion, have emphasised the following two matters in their review report for the half year ended 30 June 2016:

Minimum Capital Requirement

External auditors have referred to note 1.2 to the condensed interim financial statements emphasising the Company's capital compliance status and SBP exemption from the prescribed requirement in respect of minimum paid-up capital (free of losses) till 31 December 2016.

Deferred tax asset

External auditors have also referred to note 10 to the condensed interim financial statements relating to deferred tax asset amounting to PKR 99.43 million along with the assumptions used in approved financial projections to support the realisability of the said deferred tax asset.

Management is hopeful of the positive outcome on both the aforementioned matters emphasised by the external auditors in their review report.

Future prospects

In relation to KEL, the Company has successfully completed the legal formalities with regard to title transfer of the assets in its name and has recorded the said assets during the period under review; consequently, the net equity of the Company has increased by PKR 867.812 million. Moreover, as per the approved management plan, the business team has started marketing activities to structure the deal for ultimate disposal of these non-banking assets.

A cautious stance is being maintained towards further asset growth. To improve the performance, the management is focusing on all possible avenues for profitable operations of the Company with prime focus on expansion of its loan book including SME financing activities and disposal of non-banking assets.

At strategic level, necessary work towards additional capital injection transaction of the Company in line with recommendation of the Board is in process. Management has been following up with both the shareholders to amicably finalise the arrangement in terms of mutually agreed timeline and is hopeful of a positive outcome on the matter.

In view of the overall efforts being made by the management, we are confident of positive business prospects for the Company.

Acknowledgments

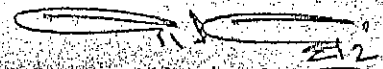
On behalf of the Board, we would like to express gratitude to our shareholders for their continued support and trust. We are also thankful to employees of the Company for their hard work and dedication.

For and on behalf of the Board



Khalid S.T. Benrjoba
Deputy Managing Director

4 August 2016
Istanbul, Turkey



Abid Aziz
Managing Director & CEO



Building a better
working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pak Libya Holding Company (Private) 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 statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the six-month period then ended. 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 the 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.

EMZ



Building a better
working world

-: 2 :-

Emphasis of matter

We draw attention to the following matters:

- (i) as more fully explained in note 1.2 to the accompanying interim financial information, State Bank of Pakistan (SBP), has granted further exemption to the Company from the required minimum paid-up capital (free of losses) of Rs.6 billion till 31 December 2016 and has advised the Company to pursue the matter of capital injection with Finance Division and provide specific timeline for equity injection by the Government of Pakistan by 30 September 2016; and
- (ii) note 10 to the accompanying interim financial information relating to deferred tax asset amounting to Rs.99.43 million. The management has recorded the said asset based upon their assessment of its recoverability, on the basis of financial projections for future years, as approved by the Board of Directors of the Company, which take into account various assumptions regarding the future business and economic conditions including the injection of capital by shareholders in the future. However, as disclosed in the said note, a significant change in the assumptions used may have an impact on the realisability of the deferred tax asset recorded in the interim financial information.

Our conclusion is not qualified in respect of the above matters.

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 04 August 2016

Karachi

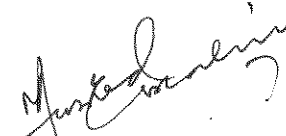
PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

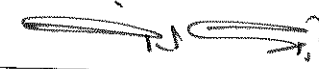
	(Un-audited) 30 June 2016	(Audited) 31 December 2015
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	125,208	65,712
Balances with other banks	16,972	30,481
Lendings to financial institutions	250,000	320,000
Investments	12,881,753	10,922,328
Advances	3,092,515	3,238,411
Other assets	1,641,785	433,724
Operating fixed assets	88,854	69,960
Deferred tax asset - net	99,428	193,663
	18,196,515	15,274,279
LIABILITIES		
Bills payable	-	-
Borrowings from financial institutions	11,639,740	9,441,099
Deposits and other accounts	1,391,666	1,737,389
Sub-ordinated loans	-	-
Liabilities against assets subject to finance leases	-	-
Deferred tax liabilities	-	-
Other liabilities	230,122	201,048
	13,261,528	11,379,536
	4,934,987	3,894,743
NET ASSETS		
REPRESENTED BY		
Share capital	6,141,780	6,141,780
Reserves	330,877	143,860
Accumulated losses	(1,663,629)	(2,411,691)
Surplus on revaluation of assets - net of tax	4,809,028	3,873,949
	125,959	20,794
	4,934,987	3,894,743

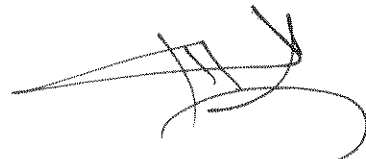
CONTINGENCIES AND COMMITMENTS


13

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


 Chief Financial Officer


 Managing Director & CEO



 Director


 Director


PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

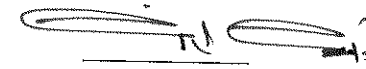
	Quarter ended 30 June 2016	Six months ended 30 June 2016	Quarter ended 30 June 2015	Six months ended 30 June 2015
Note	----- (Rupees in '000) -----			
Mark-up / return / interest earned	345,495	612,706	385,893	699,574
Mark-up / return / interest expensed	246,204	456,792	275,888	515,858
Net mark-up / interest income	99,291	155,914	110,005	183,716
(Reversal) / provision against non-performing advances - net	8.3 (9,370)	(1,057,554)	14,894	14,471
Reversal for diminution in the value of investments - net	7.2.4 (65,311)	(55,530)	(34,667)	(35,415)
Reversal of provision against lendings to financial institutions	6.3 -	-	(11,500)	(11,500)
Bad debts written off directly	-	-	-	-
Net mark-up / interest / income after provisions	(74,681)	(1,113,084)	(31,273)	(32,444)
	173,972	1,268,998	141,278	216,160
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	5,863	9,058	6,111	7,289
Dividend income	9,503	31,454	4,642	15,955
Gain from trading in securities - net	14 44,481	54,885	167,566	260,728
Income from dealing in foreign currencies	-	-	-	-
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading	7.2 73	(223)	3,009	272
Other income	2,638	2,694	411	3,278
Total non mark-up / interest income	62,558	97,868	181,739	287,522
	236,530	1,366,866	323,017	503,682
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	116,987	206,106	93,406	192,322
Other provisions / write offs	-	116,000	5,696	(6,907)
Other charges	7,206	14,629	(3,228)	20,833
Total non mark-up / interest expenses	124,193	336,735	95,874	206,248
	112,337	1,030,131	227,143	297,434
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	112,337	1,030,131	227,143	297,434
Taxation - current	39,145	48,949	57,873	87,596
- prior period	-	-	-	-
- deferred	8,030	46,103	10,135	14,445
	16 47,175	95,052	68,008	102,041
PROFIT AFTER TAXATION	65,162	935,079	159,135	195,393
Basic and diluted earnings per share (Rupees)	17 106.10	1,522.49	259.10	318.14

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


 Chief Financial Officer


 Director


 Managing Director & CEO



 Director

PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Quarter ended 30 June 2016	Six months ended 30 June 2016	Quarter ended 30 June 2015	Six months ended 30 June 2015
	----- (Rupees in '000) -----			
Profit after taxation	65,162	935,079	159,135	195,393
Other comprehensive income - net				
Items that are not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Comprehensive income transferred to equity	<u>65,162</u>	<u>935,079</u>	<u>159,135</u>	<u>195,393</u>
Components of comprehensive income not reflected in equity				
Surplus / (deficit) on revaluation of 'available-for-sale securities' - net of tax*	45,527	105,165	(40,458)	(15,834)
Total comprehensive income	<u><u>110,689</u></u>	<u><u>1,040,244</u></u>	<u><u>118,677</u></u>	<u><u>179,559</u></u>

* Surplus / (deficit) arising on revaluation of 'Available-for-sale securities' - net of tax has been shown in the Statement of Comprehensive Income in order to comply with the revised "Prudential Regulations for Corporate / Commercial Banking" issued by the State Bank of Pakistan vide BPRD Circular No. 06 of 2014 on 26 June 2014.

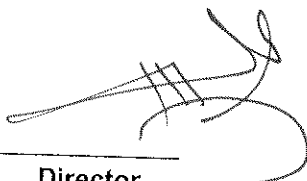
The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



 Chief Financial Officer,



 Managing Director & CEO



 Director





 Director


PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016


	Note	30 June 2016	30 June 2015
----- (Rupees in '000) -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,030,131	297,434
Less: Dividend income		(31,454)	(15,955)
		998,677	281,479
Adjustments for non-cash items:			
Depreciation		11,898	10,598
Amortisation		281	281
(Reversal) / provision against non-performing loans and advances - net	8.3	(1,057,554)	14,471
Short term advances written-off	8.3	(34,690)	-
Unrealised loss / (gain) on revaluation of investments classified as held-for-trading		223	(272)
Reversal for diminution in the value of investments - net		(55,530)	(35,415)
Reversal of provision against lendings to financial institutions	6.3	-	(11,500)
Other provisions / write offs		(236,102)	(6,907)
Gain on sale of operating fixed assets		(1,905)	(2,760)
		(1,373,379)	(31,504)
		(374,702)	249,975
Decrease / (Increase) in operating assets:			
Lendings to financial institutions		70,000	11,500
Investments classified as held-for-trading		-	(10,662)
Advances	8	1,238,139	145,929
Other assets		(959,068)	(47,216)
		349,071	99,551
Increase / (decrease) in operating liabilities:			
Borrowings from financial institutions	11	2,198,641	6,773,058
Deposits and other accounts	12	(345,723)	35,630
Other liabilities		29,074	(34,331)
		1,881,992	6,774,357
Income tax paid		1,856,361	7,123,883
Net cash generated from operating activities		(61,638)	(34,646)
		1,794,723	7,089,237
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of investments - net		(1,750,821)	(6,855,358)
Dividends received		31,254	15,905
Operating fixed assets purchased		(31,041)	(2,839)
Sale proceeds from operating fixed assets disposal		1,872	4,726
Net cash used in investing activities		(1,748,736)	(6,837,566)
Increase in cash and cash equivalents		45,987	251,671
Cash and cash equivalents at beginning of the period		96,193	132,989
Cash and cash equivalents at end of the period	20	142,180	384,660

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


 Chief Financial Officer


 Director



 Managing Director & CEO

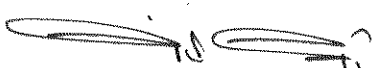

 Director


PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

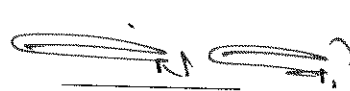
	Issued, subscribed and paid-up capital	Capital reserve Statutory reserve	Revenue reserve Accumulated losses	Total
	----- (Rupees in '000) -----			
Balance as at 01 January 2015	6,141,780	82,855	(2,655,790)	3,568,845
Total comprehensive income for the half year ended 30 June 2015				
Profit for the period	-	-	195,393	195,393
Other comprehensive income for the period	-	-	-	-
Transfer to statutory reserve	-	-	195,393	195,393
Balance as at 30 June 2015	<u>6,141,780</u>	<u>121,934</u>	<u>(2,499,476)</u>	<u>3,764,238</u>
Total comprehensive income for the half year ended 31 December 2015				
Profit for the period	-	-	109,633	109,633
Other comprehensive income for the period	-	-	78	78
Transfer to statutory reserve	-	-	109,711	109,711
Balance as at 31 December 2015	<u>6,141,780</u>	<u>143,861</u>	<u>(2,411,692)</u>	<u>3,873,949</u>
Total comprehensive income for the half year ended 30 June 2016				
Profit for the period	-	-	935,079	935,079
Other comprehensive income for the period	-	-	-	-
Transfer to statutory reserve	-	-	935,079	935,079
Balance as at 30 June 2016	<u>6,141,780</u>	<u>330,877</u>	<u>(1,663,629)</u>	<u>4,809,028</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


 Chief Financial Officer


 Managing Director & CEO


 Director


 Director

PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

1. STATUS AND NATURE OF BUSINESS

- 1.1 Pak-Libya Holding Company (Private) Limited (the Company) was incorporated in Pakistan as a private limited company on 14 October 1978. It is a joint venture between the Government of Pakistan and Government of Libya (State of Libya). The tenure of the Company was thirty years from the date of its establishment. The two contracting parties (i.e. both the governments) extended the tenure for further thirty years upto 14 October 2038. The objective of the Company inter alia includes the promotion of economic growth of Pakistan through industrial development, to undertake other feasible business and to establish and acquire companies to conduct various businesses as may be decided from time to time. The Company is designated as a Development Financial Institution (DFI) under the BPD Circular No. 35 dated 28 October 2003 issued by the State Bank of Pakistan (SBP).

The registered office of the Company is located at 5th Floor, Block C, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan. The Company has two sales and service centres located at Lahore and Islamabad. Effective 05 August 2012, activities of Islamabad sales and service centre have been suspended for the time being after review of the business strategy.

- 1.2 The State Bank of Pakistan (SBP) through its BSD Circular No. 19 dated 05 September 2008 has prescribed that the minimum paid-up capital (free of losses) for Development Financial Institutions (DFIs) is required to be maintained at Rs.6 billion. The paid-up capital of the Company (free of losses) as of 30 June 2016 amounted to Rs.4.48 billion (31 December 2015: Rs.3.730 billion).

The Board of Directors (BoD) of the Company in its meeting held on 09 December 2012 and 10 December 2012, recommended the shareholders for increase in paid-up capital by Rs.4 billion in the year 2013. The increase in capital is aimed to comply with minimum capital requirement (MCR) for risk absorption and future growth and business prospects of the Company.

Further, the Chairman of the Company (Libyan Nominee) in the Board meeting held on 26 April 2014 informed that BOD of Libyan Foreign Investment Company (LAFICO) has given approval for the capital injection of Rs.2 billion with a condition of simultaneous injection of additional capital by Government of Pakistan (GOP). Moreover, SBP has been reviewing the progress and performance of the Company and the Ministry of Finance (MOF) in its letters has stated that the matter of capital injection is under consideration with the Finance Division of GoP.

The SBP vide its letter no. BPRD/BA&CP/657/16631/2016 dated 04 July 2016 has granted further extension in the exemption for meeting the minimum paid-up capital (free of losses) requirement till 31 December 2016 and has advised the Company to pursue the matter of capital injection with Finance Division and provide specific timeline for equity injection by the Government of Pakistan in the Company by 30 September 2016.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements of the Company for the six months ended 30 June 2016 have been prepared in accordance with the approved accounting standards as applicable in Pakistan, requirements of the Companies Ordinance, 1984 (the Ordinance), the Banking Companies Ordinance 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). The approved accounting standards comprise of International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board. Wherever the requirements of the Ordinance, the Banking Companies Ordinance, 1962 or the directives issued by SECP and SBP differ with the requirements of these standards, the requirements of the Ordinance or the said directives prevail.



2.2 The SBP through its BSD circular No. 11 dated 11 September 2002 has deferred the implementation of IAS 39 'Financial Instruments: Recognition and Measurement', and IAS 40 'Investment Property' for Non-Bank Financial Institutions (NBFIs) in Pakistan. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1)/2008 dated 28 April 2008. Accordingly, the requirements of these IASs have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

2.3 The disclosures made in these condensed interim financial statements have, however, been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular No. 2 dated 12 May 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2015.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention, except for certain investments which are carried at fair value.

These condensed interim financial statements have been presented in Pak Rupees, which is the Company's functional and presentation currency.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these condensed interim financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual audited financial statements as at and for the year ended 31 December 2015, except as disclosed in note 5 below.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation 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 31 December 2015 other than those disclosed below:

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following accounting standards and the amendments and interpretations of IFRSs which became effective during the period:

IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 28 – Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above standards / amendments / interpretations did not have any material effect on the interim financial information of the Company.

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

	Note	(Un-audited) 30 June 2016	(Audited) 31 December 2015
----- (Rupees in '000) -----			
6. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	6.1	-	320,000
Placements	6.2	285,568	35,568
		285,568	355,568
Less: Provision against placements	6.3	(35,568)	(35,568)
		250,000	320,000

6.1 Security held as collateral against repurchase agreement lendings:

	30 June 2016			31 December 2015		
	Held by Company	Further given as collateral	Total	Held by Company	Further given as collateral	Total
----- (Rupees in '000) -----						
Pakistan Investment Bonds	-	-	-	320,000	-	320,000
	-	-	-	320,000	-	320,000

6.2 This includes a Term Deposit Receipts (TDR) of Rs.250 million, carrying mark-up at the rate of 7.2 (31 December 2015: Nil) percent per annum and will mature on 23 December 2016.

6.3 Provision against placements

Opening balance	35,568	47,068
Charge for the period	-	-
Less: Reversal during the period	-	(11,500)
Net reversal for the period	-	(11,500)
Closing balance	35,568	35,568

7. INVESTMENTS

Balance as at 30 June 2016 (Un-audited)

Balance as at 31 December 2015 (Audited)

Balance as at 30 June 2015 (Un-audited)

	Held by Company	Given as collateral	Total
----- (Rupees in '000) -----			
Balance as at 30 June 2016 (Un-audited)	2,847,919	10,033,834	12,881,753
Balance as at 31 December 2015 (Audited)	3,196,487	7,725,841	10,922,328
Balance as at 30 June 2015 (Un-audited)	4,087,978	10,492,342	14,580,320

**PAK-LIBYA HOLDING COMPANY
(PRIVATE) LIMITED**

	Held by Company	Given as collateral	Total
	----- (Rupees in '000) -----		
7.1 Investments by types			
Available-for-sale securities	3,884,077	9,754,765	13,638,842
Held-to-maturity securities	6,366	-	6,366
Investment in a joint venture Kamoki Energy Limited, a related party	404,867	-	404,867
	4,295,310	9,754,765	14,050,075
Less: Provision for diminution in value of investments	(1,382,838)	-	(1,382,838)
Investments (net of provisions)	2,912,472	9,754,765	12,667,237
Less: (Deficit) / surplus on revaluation of investments classified as			
- held-for-trading securities	-	-	-
- available-for-sale securities	(64,553)	279,069	214,516
Balance as at 30 June 2016	2,847,919	10,033,834	12,881,753
		(Un-audited)	(Audited)
		30 June	31 December
		2016	2015
7.2 Investments by segments	Note	----- (Rupees in '000) -----	
Federal government securities			
Market treasury bills		299,040	1,346,918
Pakistan investment bonds		10,112,817	7,276,450
Fully paid-up ordinary shares / certificates			
Listed	7.2.1	1,071,397	1,174,373
Unlisted		93,341	93,341
Fully paid-up preference shares			
Listed		25,000	25,000
Unlisted - Kamoki Energy Limited (KEL), a related party	7.2.2	300,000	300,000
Term Finance Certificates (TFCs)			
Listed		463,572	466,631
Unlisted	7.2.3	1,019,214	1,025,317
Participation term certificates - unlisted		6,366	6,366
Strategic investment in a joint venture			
Unlisted ordinary shares Kamoki Energy Limited, a related party	7.2.2	404,867	404,867
Other investments			
Mutual fund units - listed		-	-
Sukuks - unlisted		254,460	179,990
Total investments		14,050,075	12,299,253
Less: Provision for diminution in value of investments	7.2.4	(1,382,838)	(1,437,217)
Investments (net of provisions)		12,667,237	10,862,036
Add: Unrealized loss on revaluation of 'held-for-trading' securities		-	(929)
Surplus on revaluation of 'available-for-sale' securities		214,516	61,221
Total investments at market value		12,881,753	10,922,328

2014

- 7.2.1 The Company is party to the agreement whereby put option was available to another bank (option holder) giving it the right to sell 1,008,787 ordinary shares of Agritech Limited (Agritech) at Rs.35 per share to the Company. During the first quarter ended 31 March 2016, the Company received a letter from the option holder requesting the Company to purchase the shares. These shares were purchased at a total consideration of Rs.35.31 million. The SBP vide its letter No.BPRD/BPD (Policy)/2016-14898 dated 14 June 2016 has granted relaxation to the investors for recording impairment on this investment upto 30 June 2017 in phases. Pursuant to this letter, impairment equivalent to 10% of the required amount has been recorded by the Company as at 30 June 2016.
- 7.2.2 As at 30 June 2016, the Company has below detailed investments / exposures in KEL which is a joint venture project between the Company and Tapal Family. KEL was established in 2009 to own, construct, manage and operate a rental power generation plant. KEL could not commence its commercial operations.

On 30 March 2012, a decision was announced by the Honorable Supreme Court of Pakistan (Court) on the Human Rights Case with respect to Rental Power Plants (RPPs) which was initiated by the Honorable Court taking a suo moto action. In this decision, all contracts of RPPs were declared to be illegal and void ab initio and ordered to be rescinded. KEL had filed a review petition against the decision of the Court which is pending adjudication.

Keeping in view the above, the Board of Directors in their meeting, held on 09 December 2012 and 10 December 2012, had deliberated upon different alternatives in detail with respect to the exposure in KEL and thereafter decided to take exit from KEL. The Board advised the management to explore option to sell the project to a third party.

Consequent to filing of winding up petition, for KEL, by Ameerjee Valejee & Sons (Private) Limited along with certain shareholders of KEL from Tapal Family, Honorable Sindh High Court (HCS) has ordered liquidation of KEL and appointed an Official Assignee.

As per the order of Honorable Sindh High Court, M/s. Joseph Lobo (Private) Limited was appointed to carry out fresh valuation of the KEL. Subsequently, the first and second auctions were held on 29 November 2014 and 08 April 2015 respectively under the jurisdiction of Official Assignee, which, however, remained uneventful. Consequently, the HCS passed an order dated 28 April 2015 to set off the assets of KEL to the extent of forced sale value of Rs.1,134 million against claim of the Company. Later, the HCS vide its letter dated 27 May 2015 directed that the assets of KEL be handed over to the Company. Subsequent to the said order of HCS two claimants filed their claims before official assignee, the final outcome of which is still pending.

During the period under review, the Company has successfully completed all the relevant legal formalities in relation to transfer of title of KEL's land and assets in its name. Consequently, the Company has recorded the said assets on settlement of its loan and advances exposure. As the said exposures were already provided, this resulted in a gain of Rs.867.81 million during the period.

Nature of assets / exposures	30 June 2016 (Un-audited)		
	Book value before provision	Provision held	Book value after provision
	----- (Rupees in '000) -----		
Preference shares	300,000	(300,000)	-
Ordinary shares	404,867	(404,867)	-
Total funded exposure	<u>704,867</u>	<u>(704,867)</u>	<u>-</u>

Nature of assets / exposures	31 December 2015 (Audited)		
	Book value before provision	Provision held	Book value after provision
	----- (Rupees in '000) -----		
Preference shares	300,000	(300,000)	-
Ordinary shares	404,867	(404,867)	-
Long-term loan	1,250,000	(983,812)	266,188
Short-term loan	34,690	(34,690)	-
Other assets - accrued income	205,690	(205,690)	-
Other assets - other receivables	30,412	(30,412)	-
Total funded exposure	<u>2,225,659</u>	<u>(1,959,471)</u>	<u>266,188</u>

7.2.3 No provision has been made against the investment in privately placed term finance certificates (PPTFCs) issued by Pakistan International Airlines Corporation Limited (PIA) as SBP vide its letter no. BPRD/BPD(Policy)/2016-3218 dated 08 February 2016 has allowed further relaxation to the investors for their restructured debt (including this PPTFC issue) from the requirements of Prudential Regulation R-8 of Corporate / Commercial Banking upto 31 December 2016. The investment had been restructured through a TFC Investor Agreement effective from 06 May 2015.

7.2.4 Provision for diminution in value of investments	Note	(Un-audited) 30 June 2016	(Audited) 31 December 2015
		----- (Rupees in '000) -----	
Opening balance		1,437,217	1,497,055
Charge for the period / year		13,462	21,129
Less: Reversal during the period / year		-	(65,967)
Net charge / (reversal) for the period / year		13,462	(44,838)
Less: Reversal on disposal		(67,841)	(15,000)
Closing balance		<u>1,382,838</u>	<u>1,437,217</u>

8. ADVANCES

In Pakistan

Loans		3,811,891	5,219,192
Net investment in finance lease		223,210	247,442
Consumer loans and advances		113,834	131,409
Staff loans		133,547	116,636
Long-term financing of export oriented projects - (LTF-EOP)		60,179	60,179
Long-term financing facility - (LTF)		229,733	35,676
Advances - gross	8.2	<u>4,572,394</u>	<u>5,810,534</u>
Less: Provision against			
- Non-performing advances - specific provision	8.3	1,479,218	2,571,231
- Consumer loans and advances - general provision	8.3	661	892
		<u>1,479,879</u>	<u>2,572,123</u>
Advances - net of provision		<u>3,092,515</u>	<u>3,238,411</u>

8.2 Advances include amounts aggregating to Rs.1,565.44 million (31 December 2015: Rs.3,229.14) million which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	(Rupees in '000)				
OAEM	9,018	-	9,018	-	-
Substandard	1,779	-	1,779	445	445
Doubtful	-	-	-	-	-
Loss	1,554,646	-	1,554,646	1,478,773	1,478,773
30 June 2016	1,565,443	-	1,565,443	1,479,218	1,479,218

Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	(Rupees in '000)				
OAEM	3,735	-	3,735	-	-
Substandard	375,000	-	375,000	93,750	93,750
Doubtful	61,718	-	61,718	30,859	30,859
Loss	2,788,683	-	2,788,683	2,446,622	2,446,622
31 December 2015	3,229,136	-	3,229,136	2,571,231	2,571,231

8.3 Particulars of provision against non-performing advances:

	(Un-audited) 30 June 2016			(Audited) 31 December 2015		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	2,571,231	892	2,572,123	2,560,241	1,149	2,561,390
Charge for the period	296,218	-	296,218	30,859	-	30,859
Reversals	(1,353,541)	(231)	(1,353,772)	(19,869)	(257)	(20,126)
Net charge / (reversals)	(1,057,323)	(231)	(1,057,554)	10,990	(257)	10,733
Less: Amount written off	(34,690)	-	(34,690)	-	-	-
Closing balance	1,479,218	661	1,479,879	2,571,231	892	2,572,123

8.3.1 The provision against non-performing advances includes an impact of Forced Sale Value (FSV) benefit amounting to Rs.17.34 million (31 December 2015: Rs.19.22 million) in respect of consumer financing, and Rs.58.53 million (2015: Rs.324.72 million) being security deposit in respect of lease financing. The FSV benefit recognised under the Prudential Regulations is not available for the distribution of cash or stock dividend to the shareholders. Further, SBP through its letter no. OSED/SEU-05/041(01)-12/2218/2012 dated 26 December 2012 had stipulated that no dividend, cash or kind, shall be paid out of the benefits realised through the relaxations allowed therein.

	(Un-audited) 30 June 2016	(Audited) 31 December 2015
	(Rupees in '000)	
Capital work-in-progress	5,117	2,341
Property and equipment	82,449	66,050
Intangible assets	1,288	1,569
	88,854	69,960

9.1 Additions during the six months period ended 30 June 2016 amounted to Rs.28.31 million (excluding CWIP) while disposal had a total cost of Rs.19.50 million (net book value of Rs.0.01 million) which includes sale of assets to key management personnel, under the agreed terms, at a gain of Rs.1.90 million.

eml

	(Un-audited) 30 June 2016	(Audited) 31 December 2015
10. DEFERRED TAX ASSET - net		
	-----	-----
	(Rupees in '000)	
Deferred credit arising in respect of:		
Net investment in finance leases	(32,684)	(37,297)
Accelerated tax depreciation	73	(252)
Deferred debits arising in respect of:		
Provision for compensated absences	4,338	3,827
Provision for advances, investments and other assets	85,592	86,701
Unused tax losses	130,666	150,666
Share of loss in joint venture	-	30,443
	<u>187,985</u>	<u>234,088</u>
Deferred tax liability on surplus on revaluation of available-for-sale investments - net	<u>(88,557)</u>	<u>(40,425)</u>
	<u>99,428</u>	<u>193,663</u>

10.1 As at 30 June 2016, the Company has available provision for advances, investments and other assets (including provision against investment in KEL) amounting to Rs.1,737.93 million (31 December 2015: Rs.1,782.03 million) and unused tax losses upto 30 June 2016 amounting to Rs.2,103.36 million (31 December 2015: Rs.1,931.01 million). However, the management has prudently recognised the deferred tax asset only to the extent given above based on the absorption / admissibility of the same as forecasted in the projections mentioned below.

10.2 The management of the Company has prepared five years' financial projections which have been approved by the Board of Directors of the Company. The said projections involve certain key assumptions underlying the estimation of future taxable profits. The determination of future profits is most sensitive to certain key assumptions such as the timing for injection of further capital, growth of business, revenue and expenses, return on assets, projected reversals / recovery from non-performing assets and outcome of pending tax matters etc. Any significant change in the key assumptions may have an impact on the realisability of the deferred tax asset. The management believes that it is probable that the Company will be able to achieve the profits projected in the financial projections and, consequently, the recorded deferred tax asset will be realised in the future.

11. BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured

Borrowings from State Bank of Pakistan under:

Long-term financing of exports oriented projects (LTF-EOP)

Long-term financing facility (LTFF)

Repurchase agreement borrowings

Privately placed term finance certificates

Borrowings from financial institutions

3,761	7,531
223,790	35,676
4,860,000	3,799,044
969,689	1,118,848
5,482,500	4,480,000
<u>11,539,740</u>	<u>9,441,099</u>
100,000	-
<u>11,639,740</u>	<u>9,441,099</u>

Unsecured

Clean borrowings

6/11/16

11.3

- 11.1 The Company has arranged borrowings from various financial institutions against sale and repurchase of Government Securities. The outstanding facilities as at statement of financial position date are due for maturity on various dates latest by July 2016 (31 December 2015: January 2016). The rates of mark-up on these facilities range from 5.90% to 6.15% (31 December 2015: 6.5%) per annum.
- 11.2 This represents the balance amount of Privately Placed Term Finance Certificates (PPTFC) of Rs.1,000 million raised by the Company in February 2015. The issue is secured by first pari passu hypothecation charge over all present and future current assets and fixed assets (excluding land and building) of the Company (the "Hypothecated Assets"). This issue is rated AA and carries a mark-up rate of three months' KIBOR plus 1.5% percent p.a. payable on quarterly basis. The PPTFC issue is repayable in installments by February 2020 and is held by the financial institutions.
- 11.3 This carries mark-up at the rate of 6.75 percent per annum (31 December 2015: Nil) and is repayable latest by 03 October 2016 (31 December 2015: Nil).

(Un-audited) 30 June 2016	(Audited) 31 December 2015
----- (Rupees in '000) -----	

12. DEPOSITS AND OTHER ACCOUNTS

Customers

Certificates of investment - (in local currency)

- 937,389

Financial institutions

Certificates of investment - (in local currency)

1,391,666	800,000
1,391,666	1,737,389

- 12.1 The profit rates on these Certificates of Investment (COIs) range from 6.75% to 7.55% (31 December 2015: 6.25% to 8.90%) per annum. These COIs are due for maturity on various dates latest by 07 November 2016 (31 December 2015: 23 July 2016).

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There is no change in the status of contingencies as disclosed in the annual audited financial statements of the Company for the year ended 31 December 2015.

(Un-audited) 30 June 2016	(Audited) 31 December 2015
----- (Rupees in '000) -----	

13.2 Commitments

Direct credit substitutes

Contingent liabilities in respect of guarantees given favouring:

- Government
- Others

860,469	860,487
860,469	860,487

13.3 Trade - related contingent liabilities

Contingent liabilities in respect of letters of credit favouring:

- Government
- Others

EMK

241,500	108,692
241,500	108,692

**PAK-LIBYA HOLDING COMPANY
(PRIVATE) LIMITED**

	(Un-audited) 30 June 2016	(Audited) 31 December 2015
	----- (Rupees in '000) -----	
13.4 Commitments to extent credit	<u>601,863</u>	<u>500,000</u>

13.5 Unsettled investment transactions for:

Sale / purchase of listed ordinary shares - net

	-	11,300
	<u>-</u>	<u>11,300</u>

14. GAIN FROM TRADING IN SECURITIES - NET

This includes net gain from trading in government securities amounting to Rs.120.52 million (30 June 2015: Rs.234.55 million).

	Note	(Un-audited) 30 June 2016	(Un-audited) 30 June 2015
		----- (Rupees in '000) -----	
15. OTHER PROVISIONS / WRITE OFFS			
Charge / (reversal) of provision against non-banking assets acquired in satisfaction of claims - net	15.1	116,000	(16,197)
Other receivables - Kamoki Energy Limited		-	9,290
		<u>116,000</u>	<u>(6,907)</u>

15.1 As explained in note 7.2.2, during the period, the Company has acquired non-banking assets of KEL in satisfaction of its secured credit of Rs.1,250 million. These assets are acquired under the order of the High Court of Sindh at the forced sale value of Rs.1,134 million, whereas the market value of these assets amount to Rs.1,417.60 million based on valuation dated 11 October 2014 conducted by M/s. Joseph Lobo (Private) Limited.

16. TAXATION

16.1 Due to current year tax loss, the Company has made provision for applicable minimum and fixed taxes. Therefore, relationship between tax expense and accounting profit for the period has not been presented.

	Quarter Ended 30 June 2016	Six Months ended 30 June 2016	Quarter Ended 30 June 2015	Six Months ended 30 June 2015
	----- (Rupees in '000) -----			
17. BASIC AND DILUTED EARNINGS PER SHARE				
Profit after taxation	<u>65,162</u>	<u>935,079</u>	<u>159,135</u>	<u>195,393</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares	<u>614,178</u>	<u>614,178</u>	<u>614,178</u>	<u>614,178</u>
	----- (Rupees) -----			
Earnings per share	<u>106.10</u>	<u>1,522.49</u>	<u>259.10</u>	<u>318.14</u>

18. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its joint venture, state controlled entities (by virtue of government shareholding), companies with common directorships, employees benefit plans, key management personnel and its directors.

The Company enters into transactions with related parties in the normal course of business. The transactions were carried out at contracted rates. Transactions with key management personnels are governed by the applicable policies and / or terms of employment / office. Key management personnel herein include Managing Director, Deputy Managing Director, Company Secretary and Head of Departments.

Transactions and balances with related parties are as follows:

	(Un-audited) 30 June 2016					(Audited) 31 December 2015				
	Directors	Key management personnel *	Joint venture **	State controlled entities	Other related parties	Directors	Key management personnel *	Joint venture **	State controlled entities	Other related parties
	(Rupees in '000)					(Rupees in '000)				
18.1 Balances										
Bank balance	-	-	-	25,232	-	-	-	-	62,671	-
Lendings to financial institutions										
Opening balance	-	-	-	-	-	-	-	-	-	-
Placements / reverse repo made during the period	-	-	-	3,498,161	-	-	-	-	2,024,846	-
Placements / reverse repo matured during the period	-	-	-	(3,498,161)	-	-	-	-	(2,024,846)	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	704,867	9,062,104	500	-	-	704,867	6,063,143	500
Investment made during the period	-	-	-	8,519,260	-	-	-	-	23,604,997	-
Investment redeemed / disposed off during the period	-	-	-	(6,779,883)	-	-	-	-	(20,606,036)	-
Closing balance	-	-	704,867	10,801,481	500	-	-	704,867	9,062,104	500
Provision for diminution in value of investments	-	-	704,867	50,000	-	-	-	704,867	50,000	-
Surplus / (Deficit) on revaluation of investments	-	-	-	279,645	-	-	-	-	128,171	-

SM

	(Un-audited) 30 June 2016				(Audited) 31 December 2015					
	Directors	Key management personnel *	Joint venture **	State controlled entities	Other related parties	Directors	Key management personnel *	Joint venture **	State controlled entities	Other related parties
	(Rupees in '000)				(Rupees in '000)					
Advances										
Opening balance	-	44,118	-	1,284,690	-	-	40,919	1,284,690	-	-
Addition / rollover during the period	-	11,154	-	-	-	-	17,597	-	-	-
Repaid / adjusted during the period	-	(4,540)	-	(1,284,690)	-	-	(14,398)	-	-	-
Closing balance	-	50,732	-	-	-	-	44,118	1,284,690	-	-
Provision held against advances	-	-	-	-	-	-	-	1,018,502	-	-
Other assets										
Mark-up receivable on term loan										
- Gross	-	435	-	297,106	-	-	491	773,826	255,676	-
- Suspended / provided	-	-	-	(15,634)	-	-	-	(773,826)	(7,648)	-
Closing balance	-	435	-	281,472	-	-	491	-	248,028	-
Amount receivable from defined contribution plan	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	30,412	-	-	-
Advance taxation	-	-	-	97,307	-	-	-	-	84,618	-
Other advances										
Opening	-	550	-	-	-	-	770	-	-	532
Additions during the period	-	25,000	-	-	-	-	796	-	-	-
Repaid during the period	-	(490)	-	-	-	-	(1,016)	-	-	(532)
Closing balance	-	25,060	-	-	-	-	550	-	-	-
Provision against other assets	-	-	-	-	-	-	-	30,412	-	-
Borrowings from financial Institutions										
Opening	-	-	-	2,080,804	-	-	-	3,005,529	-	-
Borrowings during the period	-	-	-	125,470,760	-	-	-	228,342,060	50,000	-
Settled during the period	-	-	-	(121,949,020)	-	-	-	(229,266,785)	(50,000)	-
Closing balance	-	-	-	5,602,544	-	-	-	2,080,804	-	-
Deposits and other accounts										
Opening balance	-	530	-	745,000	150,000	-	2,088	-	2,360,200	80,000
Additions during the period	-	546	-	300,000	170,000	-	8,044	-	2,845,000	810,000
Repayments during the period	-	(1,076)	-	(735,000)	(320,000)	-	(9,602)	-	(4,460,200)	(740,000)
Closing balance	-	-	-	310,000	-	-	530	-	745,000	150,000

	(Un-audited) 30 June 2016					(Audited) 31 December 2015				
	Directors	Key management personnel *	Joint venture	State controlled entities	Other related parties	Directors	Key management personnel *	Joint venture	State controlled entities	Other related parties
	(Rupees in '000)					(Rupees in '000)				
Other liabilities										
Mark-up payable	-	-	-	18,486	-	-	12	-	27,882	113
Amount payable to retirement benefit funds	-	-	-	-	8,871	-	-	-	-	11,297
Others	-	-	1,018	105	-	-	-	1,018	64	-
	-	-	1,018	18,591	8,871	-	12	1,018	27,946	11,410
Contingencies and commitments										
Letter of guarantee	-	-	860,469	-	-	-	-	860,487	-	-
Commitment to extend credit	-	-	-	-	-	-	-	-	-	-
Unsettled sale / purchase of investment transactions	-	-	-	-	-	-	-	-	-	-
	-	-	860,469	-	-	-	-	860,487	-	-

	(Un-audited) 30 June 2016					(Un-audited) 30 June 2015				
	Directors	Key management personnel *	Joint venture	State controlled entities	Other related parties	Directors	Key management personnel *	Joint venture	State controlled entities	Other related parties
	(Rupees in '000)					(Rupees in '000)				

18.2 Transactions, income and expenses

Mark-up / return / interest earned -net	-	351	-	444,250	-	-	368	-	468,671	-
Mark-up / return / interest expensed	-	18	-	131,811	5,320	-	92	-	212,464	6,048
Gain / (loss) on sale of securities - net	-	-	-	11,472	-	-	-	-	236,292	-
Dividend Income	-	-	-	10,636	-	-	-	-	6,937	-
Contribution to defined contribution plan	-	-	-	-	2,761	-	-	-	-	2,792
Contribution to defined benefit plan	-	-	-	-	5,490	-	-	-	-	5,007
Non-executive directors' fee and remuneration	1,995	-	-	-	-	1,488	-	-	-	-
Remunerations	-	80,480	-	-	1,782	-	81,573	-	-	7,285

* Key management personnel are also entitled to the usage of certain Company assets as per their terms of employment.

** Fee based income to be recorded on cash receipt basis.

EM

19. SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

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

	(Un-audited)					Total
	Corporate finance	Treasury	Capital Markets	Consumer Financings	Others	
----- (Rupees in '000) -----						
30 June 2016						
Total income	174,066	564,925	31,751	3,443	1,093,832	1,868,017
Total expenses	121,991	378,310	17,782	8,006	311,798	837,887
Net income / (loss)	52,075	186,615	13,969	(4,563)	782,034	1,030,131
Segment assets (gross)	7,131,090	11,539,098	658,646	120,788	1,644,517	21,094,139
Segment non-performing loans	1,490,507	-	-	74,936	-	1,565,443
Segment non-performing investments	1,516,005	47,939	-	-	-	1,563,944
Segment provision required and held on loan	1,431,976	-	-	47,242	-	1,479,218
Segment provision on investment	1,370,467	47,939	-	-	-	1,418,406
Segment liabilities	1,821,022	11,206,772	-	119,131	114,603	13,261,528
Net assets	2,507,625	284,387	658,646	(45,585)	1,529,914	4,934,987
Segment return on net assets						7.89% *
Segment cost of funds (%)						6.95%
* To ensure comparability, this return on net assets has been adjusted by excluding the gain of Rs.867.81 million from the net income as well as net assets as this gain pertains to settlement of loan and advances of KEL, which is a one off event (refer note 7.2.2).						
30 June 2015						
Total income	223,317	753,921	39,669	6,534	3,006	1,026,447
Total expenses	(271,280)	(265,511)	(30,515)	(7,504)	(154,203)	(729,013)
Net income / (loss)	(47,963)	488,410	9,154	(970)	(151,197)	297,434
Segment assets (gross)	8,561,262	13,804,781	435,376	147,964	512,200	23,461,583
Segment non-performing loans	3,209,191	-	-	73,608	-	3,282,799
Segment non-performing investments	1,798,094	72,939	-	-	-	1,871,033
Segment provision required and held on loan	2,526,972	-	-	48,889	-	2,575,861
Segment provision on investment	1,428,421	67,200	-	-	-	1,495,621
Segment liabilities	2,005,819	13,307,547	-	100,045	210,444	15,623,855
Net assets	2,600,050	430,034	435,376	(970)	301,756	3,766,246
Return on net assets						15.79%
Cost of funds (%)						8.67%
----- (Audited) -----						
	Corporate finance	Treasury	Capital Markets	Consumer Financings	Others	Total
----- (Rupees in '000) -----						
31 December 2015						
Total income	401,339	1,385,323	30,217	10,779	2,146	1,829,804
Total expenses	(540,675)	(453,570)	(67,877)	(12,788)	(282,479)	(1,357,389)
Net income / (loss)	(139,336)	931,753	(37,660)	(2,009)	(280,333)	472,415
Segment assets (gross)	8,606,837	9,644,276	640,507	135,637	540,977	19,568,234
Segment non-performing loans	3,159,191	-	-	69,945	-	3,229,136
Segment non-performing investments	1,685,241	47,939	1,152	-	-	1,734,332
Segment provision required and held on loan	2,523,222	-	-	48,901	-	2,572,123
Segment provision on investment	1,672,741	47,939	1,152	-	-	1,721,832
Segment liabilities	1,728,252	9,362,105	-	88,745	200,434	11,379,536
Net assets	2,682,622	234,232	639,355	(2,009)	340,543	3,894,743
Return on net assets						12.13%
Cost of funds (%)						7.93%

	(Un-audited) 30 June 2016	(Un-audited) 30 June 2015
	----- (Rupees in '000) -----	
20. CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	125,208	38,703
Balances with other banks	16,972	95,957
Reverse repo	-	250,000
	142,180	384,660

21. CREDIT RATING

In its latest rating announcement (June 2016), the Pakistan Credit Rating Agency Limited (PACRA) has maintained the Company's rating of AA-(Double A Minus) in the long term and A1+ (A One Plus) in the short term (with negative outlook assigned to ratings). Further, PACRA has maintained the rating of AA (Double A) assigned to the secured Privately Placed Term Finance Certificates issued by the Company.

22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 04 AUG 2016 by the Board of Directors of the Company.

23. GENERAL

23.1 Figures have been rounded off to the nearest thousand of Rupees unless stated otherwise.

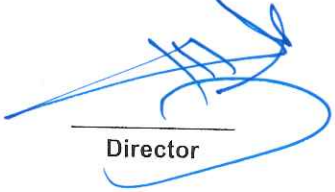
SMU



Chief Financial Officer



Managing Director & CEO



Director



Director