

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011

| | Note | March 31, 2011 Un-audited | December 31, 2010 Audited |
|--|------|---------------------------------|---------------------------------|
| ---Rupees in '000--- | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | | 46,203 | 76,513 |
| Balances with other banks | | 12,046 | 36,324 |
| Lendings to financial institutions | | 1,058,633 | 1,482,414 |
| Investments | 4 | 6,448,927 | 6,325,349 |
| Advances | 5 | 7,224,005 | 7,410,781 |
| Deferred tax assets | | 399,123 | 367,789 |
| Operating fixed assets | 6 | 92,156 | 96,089 |
| Other assets | | 547,310 | 605,350 |
| | | 15,828,403 | 16,400,609 |
| LIABILITIES | | | |
| Borrowings from financial institutions | | 5,334,296 | 4,983,790 |
| Deposits and other accounts | | 3,685,244 | 4,657,690 |
| Other liabilities | | 351,969 | 274,365 |
| | | 9,371,509 | 9,915,845 |
| NET ASSETS | | 6,456,894 | 6,484,764 |
| REPRESENTED BY | | | |
| Share capital | 7 | 6,141,780 | 6,141,780 |
| Reserves | | 482,102 | 474,801 |
| Unappropriated Profit | | 88,636 | 59,433 |
| | | 6,712,518 | 6,676,014 |
| Deficit on revaluation of investments | | (255,624) | (191,250) |
| | | 6,456,894 | 6,484,764 |
| CONTINGENCIES AND COMMITMENTS | 8 | | |

The annexed notes 1 to 15 form an integral part of this condensed interim financial report.

Chief Financial Officer

Managing Director

Director

Director

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

| | Quarter ended March 31, | |
|--|-------------------------|-----------------|
| | 2011 | 2010 |
| | ----Rupees in '000----- | |
| Mark-up/return/interest earned | 429,685 | 408,663 |
| Mark-up/return/interest expensed | <u>316,285</u> | <u>260,085</u> |
| Net mark-up/interest income | 113,400 | 148,578 |
| (Reversal)/Provision against non-performing loans and advances | <u>25,883</u> | <u>90,860</u> |
| Provision for diminution in the value of investments | - | 6,090 |
| Reversal of provision against lendings to financial institutions | <u>-</u> | <u>(54,059)</u> |
| | <u>25,883</u> | <u>42,891</u> |
| Net mark-up/interest income after provisions | 87,517 | 105,687 |
| NON-MARK UP/INTEREST INCOME | | |
| Fee, commission and brokerage income | <u>3,807</u> | <u>16,805</u> |
| Dividend income | <u>4,167</u> | <u>7,528</u> |
| Net gain on sale of securities | <u>8,214</u> | <u>62,459</u> |
| Income from dealing in foreign currencies | - | - |
| Unrealised loss on investments classified as held-for-trading | <u>(1,700)</u> | <u>10,044</u> |
| Other income | <u>395</u> | <u>138</u> |
| Total non-markup/interest income | <u>14,883</u> | <u>96,974</u> |
| | <u>102,400</u> | <u>202,661</u> |
| NON-MARK UP/INTEREST EXPENSES | | |
| Administrative expenses | <u>56,779</u> | <u>58,023</u> |
| Other provision/write off | - | 14,912 |
| Other charges | <u>9,516</u> | <u>610</u> |
| Total non-markup/interest expenses | <u>66,295</u> | <u>73,545</u> |
| | <u>36,105</u> | <u>129,116</u> |
| Extraordinary/unusual items | - | - |
| PROFIT BEFORE TAXATION | 36,105 | 129,116 |
| Taxation -current | <u>32,836</u> | <u>9,295</u> |
| -prior year | - | - |
| -deferred | <u>(33,235)</u> | <u>57,690</u> |
| | <u>(399)</u> | <u>66,985</u> |
| PROFIT AFTER TAXATION | 36,504 | 62,131 |
| Unappropriated profit/(loss) brought forward | <u>59,433</u> | <u>(61,414)</u> |
| Profit available for appropriation | <u>95,937</u> | <u>717</u> |
| | <u>59</u> | <u>101</u> |
| Basic earnings per share (rupees) - (refer note 9) | 59 | 101 |

The annexed notes 1 to 15 form an integral part of this condensed interim financial report.

Chief Financial Officer

Managing Director

Director

Director

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

| | Quarter ended March 31, | |
|--|--------------------------------|-----------------|
| | 2011 | 2010 |
| | -----Rupees in '000----- | |
| Profit after taxation | 36,504 | 62,131 |
| Other comprehensive income not transferred to equity | | |
| Surplus /(Deficit) on revaluation of investment classified as 'available for sale' | (62,473) | (13,673) |
| Deferred tax on revaluation of investment classified as 'available for sale' | (1,901) | (23,898) |
| | (64,374) | (37,571) |
| Total comprehensive (expense)/income for the period | (27,870) | 24,560 |

The annexed notes 1 to 15 form an integral part of this condensed interim financial report.

Chief Financial Officer

Managing Director

Director

Director

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

| | March 31, 2011 | March 31, 2010 |
|--|---------------------------|---------------------------|
| | -----Rupees '000----- | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | 36,105 | 129,116 |
| Less: Dividend income | <u>(4,167)</u> | <u>(7,528)</u> |
| | 31,938 | 121,588 |
| Adjustments for non-cash items | | |
| Depreciation | 6,321 | 5,566 |
| Provision against non-performing loans and advances | 25,883 | 90,860 |
| Unrealised deficit on revaluation of held-for-trading securities | 1,700 | (10,044) |
| Provision for diminution in the value of investments | - | 6,090 |
| Reversal against lending to financial institution | - | (54,059) |
| Other provision | - | 14,912 |
| (Loss)/Gain on sale of operating fixed assets | <u>(65)</u> | <u>-</u> |
| | 33,839 | 53,325 |
| | 65,777 | 174,913 |
| (Increase)/Decrease in operating assets | | |
| Lendings to financial institutions | 473,781 | 1,700,345 |
| Investments classified as held-for-trading | 292,275 | 173,265 |
| Advances | 160,892 | (285,231) |
| Other assets (excluding advance taxation) | <u>37,560</u> | <u>11,809</u> |
| | 964,508 | 1,600,188 |
| Increase/(Decrease) in operating liabilities | | |
| Borrowings from financial institutions | 350,506 | (346,124) |
| Deposits and others accounts | (972,446) | (1,080,574) |
| Other liabilities (excluding current taxation) | <u>77,249</u> | <u>(11,185)</u> |
| | (544,691) | (1,437,883) |
| | 485,594 | 337,218 |
| Income tax paid | <u>(96,620)</u> | <u>(21,304)</u> |
| Net cash inflow from operating activities | 388,974 | 315,914 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net investments | (385,440) | (351,201) |
| Dividends received | (5,799) | 5,883 |
| Strategic investment | - | - |
| Investments in operating fixed assets | (2,412) | (3,760) |
| Sale proceeds of property and equipment disposed-off | 89 | - |
| Net cash (outflow) from investing activities | <u>(393,562)</u> | <u>(349,078)</u> |
| Increase/(Decrease) in cash and cash equivalents | (4,588) | (33,164) |
| Cash and cash equivalents at beginning of the period | 112,837 | 173,322 |
| Cash and cash equivalents at end of the period | 108,249 | 140,158 |

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The annexed notes 1 to 15 form an integral part of this condensed interim financial report.

Chief Financial Officer

Managing Director

Director

Director

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

| | Reserves | | | | | Total |
|---|---|---|--|--------------------------------------|----------------------------------|------------------|
| | Issued, subscribed and paid up capital | Capital reserves | | Revenue reserves | | |
| | | Statutory (compulsory) reserve | Reserve for issue of bonus shares | Reserve for contingencies | Unappropriated profit | |
| -----Rupees in '000----- | | | | | | |
| Balance as at January 1, 2010 | 6,141,780 | 444,589 | - | - | (61,414) | 6,524,955 |
| Profit for the first quarter ended March 31, 2010 | - | - | - | - | 62,131 | 62,131 |
| Transfer to statutory (compulsory) reserve | - | 12,426 | - | - | (12,426) | - |
| Balance as at March 31, 2010 | 6,141,780 | 457,015 | - | - | (11,709) | 6,587,086 |
| Profit after tax for the three quarters ended December 31, 2010 | - | - | - | - | 88,928 | 88,928 |
| Transfer to statutory (compulsory) reserve | - | 17,786 | - | - | (17,786) | - |
| Balance as at December 31, 2010 | 6,141,780 | 474,801 | - | - | 59,433 | 6,676,014 |
| Profit for the first quarter ended March 31, 2011 | - | - | - | - | 36,504 | 36,504 |
| Transfer to statutory (compulsory) reserve | - | 7,301 | - | - | (7,301) | - |
| Balance as at March 31, 2011 | 6,141,780 | 482,102 | - | - | 88,636 | 6,712,518 |

The annexed notes 1 to 15 form an integral part of this condensed interim financial report.

Chief Financial Officer

Managing Director

Director

Director

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE CONDENSED FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan as a private limited company on October 14, 1978. It is a joint venture between the Government of Pakistan and 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 similar period. 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 October 28, 2003 issued by the State Bank of Pakistan. The registered office of the company is located at 5th Floor, Tower C, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.

2 BASIS OF PRESENTATION

This condensed interim financial report of the company for the three months period ended March 31, 2011 has been prepared in accordance with the requirements of International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984 (the Ordinance) and the provisions of and directives issued by the Statement Bank of Pakistan (SBP). In case requirements differ, the requirements of the Ordinance or the directives of SBP have been followed.

The financial report has been prepared on the format of the accounts and mode of disclosures prescribed by SBP through its BSD Circular letter No. 02 dated May 12, 2004.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in preparation of the financial statements of the company for the year ended December 31, 2010.

3.2 Critical accounting estimates and judgments

The preparation of condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are as follows:

- a) Critical judgment in classification of investments in accordance with the company's policy.
- b) Assumptions and estimations in recognition of deferred taxation.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE CONDENSED FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

4 INVESTMENTS

| | Held by company | Given as collateral | Total |
|---|--------------------------|------------------------|------------------|
| | -----Rupees in '000----- | | |
| Balance as at March 31, 2011 | 5,271,824 | 1,177,103 | 6,448,927 |
| Balance as at December 31, 2010 | 5,124,231 | 1,201,118 | 6,325,349 |
| Balance as at March 31, 2010 | 6,187,155 | 339,547 | 6,526,702 |
| 4.1 Investment by types: | | | |
| Held-for-trading securities | 19,656 | 250,625 | 270,281 |
| Available-for-sale securities | 5,515,410 | 927,077 | 6,442,487 |
| Held-to-maturity securities | 55,645 | - | 55,645 |
| Investments in associates | | | |
| Strategic investment - Kamoki Energy Limited | 4.1.1 400,000 | - | 400,000 |
| | 5,990,711 | 1,177,702 | 7,168,413 |
| Less: Provision for diminution in value of investments | 449,290 | - | 449,290 |
| Investments (net of provisions) | 5,541,421 | 1,177,702 | 6,719,123 |
| Less: Deficit on revaluation of investments classified as | | | |
| -Held-for-trading | 8 | 97 | 105 |
| -Available for sale | 269,589 | 502 | 270,091 |
| Balance as at March 31, 2011 | 5,271,824 | 1,177,103 | 6,448,927 |
| Balance as at December 31, 2010 | 5,124,231 | 1,201,118 | 6,325,349 |

4.1.1 This represents 50% shareholding in the ordinary shares of (Rs.10 each) Kamoki Energy Limited (unlisted company), a joint venture between the company and Tapal family. This investment is held as a strategic investment in terms of the Prudential Regulations for Corporate/Commercial Banking.

| | March 31 2011 Un-audited | December 31, 2010 Audited |
|---|--------------------------------|---------------------------------|
| | ----- Rupees in '000 ----- | |
| 4.2 Investments by segments | | |
| Federal government securities | | |
| Market treasury bills | 1,707,131 | 1,617,214 |
| Pakistan investment bonds | 265,120 | 267,032 |
| Fully paid up ordinary shares/certificates | | |
| Listed companies | 1,262,647 | 1,613,823 |
| Unlisted companies | 112,191 | 112,191 |
| Fully paid up preference shares | | |
| Listed companies | 53,300 | 53,300 |
| Term finance certificates (TFCs) | | |
| Listed TFCs | 620,205 | 706,969 |
| Unlisted TFCs | 1,588,220 | 1,544,516 |
| Participation term certificates | 7,913 | 7,913 |
| Investments in associates | | |
| Unlisted ordinary shares - Kamoki Energy Limited | 4.1.1 400,000 | 400,000 |
| Other investments | | |
| Mutual fund units | 494,230 | 94,230 |
| Commercial paper | 47,732 | 45,958 |
| Sukuk issue | 609,724 | 612,102 |
| Total investment at cost | 7,168,413 | 7,075,248 |
| Less: Provision for diminution in value of investments | (449,395) | (543,876) |
| Investments (net of provisions) | 6,719,018 | 6,531,372 |
| Less: Deficit on revaluation of investments classified as | | |
| -Held-for-trading | (105) | 1,595 |
| -Available for sale | (269,986) | (207,618) |
| Total investments at market value | 6,448,927 | 6,325,349 |

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE CONDENSED FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

March 31
2011
Un-audited
----- Rupees in '000 -----

December 31,
2010
Audited

5 ADVANCES

| | | | |
|--|-------|------------------|------------------|
| Loans in Pakistan | | 7,871,913 | 7,858,917 |
| Net investment in finance lease in Pakistan | | 397,507 | 571,395 |
| | | <u>8,269,420</u> | <u>8,430,312</u> |
| Less: Provision for non-performing advances - specific | 5.1.1 | 1,039,559 | 1,012,781 |
| | | <u>7,229,861</u> | <u>7,417,531</u> |
| Less: Provision for consumer finance - general | 5.1.1 | 5,856 | 6,750 |
| | | <u>7,224,005</u> | <u>7,410,781</u> |

5.1 Advances include amounts aggregating Rs.1,809.051 million (December 31, 2010: Rs. 1,622.912 million) which have been placed under non-performing status as detailed below:

| Category of classification | Domestic | Overseas | Total | Provision required | Provision held |
|----------------------------|--------------------------|----------|------------------|-----------------------|-------------------|
| | -----Rupees in '000----- | | | | |
| Substandard | 190,463 | - | 190,463 | 27,615 | 27,615 |
| Doubtful | 553,128 | - | 553,128 | 276,564 | 26,564 |
| Loss | 1,065,460 | - | 1,065,460 | 985,380 | 985,380 |
| | <u>1,809,051</u> | <u>-</u> | <u>1,809,051</u> | <u>1,289,559</u> | <u>1,039,559</u> |

5.1.1 Particulars of provision against non-performing advances:

| | March 31,2011 | | | December 31, 2010 | | |
|--------------------------|--------------------------|--------------|------------------|-------------------|---------|-----------|
| | Specific | General | Total | Specific | General | Total |
| | -----Rupees in '000----- | | | | | |
| Opening balance | 1,012,781 | 6,750 | 1,019,531 | 933,694 | 10,876 | 944,570 |
| Charge for the period | 28,256 | - | 28,256 | 160,998 | - | 160,998 |
| Less: Reversals | (1,478) | (894) | (2,372) | (81,911) | (4,126) | (86,037) |
| Net (reversals)/charge | 26,778 | (894) | 25,884 | 79,087 | (4,126) | 74,961 |
| Less: Amount written off | - | - | - | - | - | - |
| Closing balance | <u>1,039,559</u> | <u>5,856</u> | <u>1,045,415</u> | 1,012,781 | 6,750 | 1,019,531 |

March 31
2011
Un-audited
----- Rupees in '000 -----

December 31,
2010
Audited

6 OPERATING FIXED ASSETS

| | | |
|------------------|----------------|---------------|
| Additions – cost | <u>2,762</u> | 43,888 |
| Disposals – cost | <u>(2,700)</u> | (14,280) |
| Net book value | <u>92,156</u> | <u>96,089</u> |

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE CONDENSED FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

7 SHARE CAPITAL

7.1 Authorized share capital

| March 31 2011 Un-audited No. of shares in '000 | December 31, 2010 Audited | | March 31 2011 Un-audited ----- Rupees in '000 ----- | December 31, 2010 Audited |
|---|---------------------------------|------------------------------------|--|---------------------------------|
| 800,000 | 800,000 | Ordinary shares of Rs. 10,000 each | 8,000,000 | 8,000,000 |
| <u>800,000</u> | <u>800,000</u> | | <u>8,000,000</u> | <u>8,000,000</u> |

7.2 Issued, subscribed and paid-up capital

| | March 31, 2011 | | | December 31, 2010 | | | March 31 Un-audited ---Rupees in '000--- | December 31, 2010 Audited |
|--|-------------------|--------------------|----------------|-------------------|--------------------|----------------|--|------------------------------|
| | Issued on cash | Issued as bonus | Total | Issued on cash | Issued as bonus | Total | | |
| Opening | 471,836 | 142,342 | 614,178 | 471,836 | 142,342 | 614,178 | 6,141,780 | 6,141,780 |
| Shares issued during the period / year | - | - | - | - | - | - | - | - |
| | <u>471,836</u> | <u>142,342</u> | <u>614,178</u> | <u>471,836</u> | <u>142,342</u> | <u>614,178</u> | <u>6,141,780</u> | <u>6,141,780</u> |

7.3 The State Bank of Pakistan (SBP) on behalf of the Government of Pakistan and Libyan Arab Foreign Investment Company (LAFICO) on behalf of the Government of the Socialist Libyan Arab Jamahiriya each held 307,089 (2010: 307,089) ordinary shares of the company.

8 CONTINGENCIES AND COMMITMENTS

Commitments

| | | |
|---|------------------|-----------|
| 8.1 Direct credit substitutes | <u>1,056,902</u> | 1,056,983 |
| 8.1.1 This includes an amount of Rs. 200 million (December 31, 2010: Rs. 200 million) utilized under guarantee issued in favor of the government of Pakistan. | | |
| - Undisbursed sanctions for financial assistance in the form of loans and advances, term finance certificates and leases | <u>592,529</u> | 421,102 |
| - Underwriting agreement | <u>-</u> | - |
| - Unsettled purchase of shares | <u>-</u> | - |
| - Unsettled sale of shares | <u>-</u> | 75,556 |
| - Letter of credit (LC's) | <u>67,003</u> | 67,003 |

9 BASIC EARNINGS PER SHARE

| | Three months ended March 31, 2011 ----- Rupees in '000 ----- | 2010 |
|--|--|----------------|
| Profit after taxation | <u>36,504</u> | <u>62,131</u> |
| Weighted average number of ordinary shares | <u>614,178</u> | <u>614,178</u> |
| Earnings per share for the period ended March 31, 2011/10 | <u>59</u> | <u>101</u> |

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE CONDENSED FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

10 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITY

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

| | Corporate finance | Trading and sales | Retail banking | Commercial banking | Payment and settlement | Agency services | Commercial banking | Payment and settlement | Agency services |
|-------------------------------------|----------------------|----------------------|-------------------|-----------------------|------------------------------|--------------------|-----------------------|------------------------------|--------------------|
| ----- Rupees in 000 ----- | | | | | | | | | |
| 2011 | | | | | | | | | |
| Total (loss)/income | 400,881 | - | 17,804 | - | - | - | - | - | - |
| Total expenses | 371,111 | - | 11,469 | - | - | - | - | - | - |
| Net income | 29,770 | - | 6,335 | - | - | - | - | - | - |
| Segment assets (gross) | 17,172,098 | - | 493,926 | - | - | - | - | - | - |
| Segment non performing loans | 1,681,015 | - | 128,036 | - | - | - | - | - | - |
| Segment provision required | 1,743,689 | - | 93,932 | - | - | - | - | - | - |
| Segment liabilities | 8,990,307 | - | 381,202 | - | - | - | - | - | - |
| Net assets | 8,181,791 | - | 112,724 | - | - | - | - | - | - |
| Segment return on net assets (ROA)% | 0.36% | - | 5.62% | - | - | - | - | - | - |
| Segment cost of funds (%) | 13.75% | - | 13.75% | - | - | - | - | - | - |
| 2010 | | | | | | | | | |
| Total income | 437,699 | - | 25,047 | - | - | - | - | - | - |
| Total expenses | 314,408 | - | 19,222 | - | - | - | - | - | - |
| Net (loss)/income | 123,291 | - | 5,825 | - | - | - | - | - | - |
| Segment assets (gross) | 15,989,645 | - | 646,501 | - | - | - | - | - | - |
| Segment non performing loans | 1,244,165 | - | 99,605 | - | - | - | - | - | - |
| Segment provision required | 1,554,415 | - | 78,057 | - | - | - | - | - | - |
| Segment liabilities | 8,114,244 | - | 547,820 | - | - | - | - | - | - |
| Net assets | 7,875,401 | - | 98,681 | - | - | - | - | - | - |
| Segment return on net assets (ROA)% | 6.26% | - | 23.61% | - | - | - | - | - | - |
| Segment cost of funds (%) | 12.61% | - | 12.61% | - | - | - | - | - | - |

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE CONDENSED FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

11 RELATED PARTY TRANSACTIONS

The company has related party relationship with its associates, associated undertakings, employees benefit plans , key management personal and its Directors.

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

11.1 Transactions entered into with related parties are as follows:

| | March 31, | March 31, |
|--|-----------------------------------|------------------|
| | 2011 | 2010 |
| | ----- Rupees in '000 ----- | |
| Advances / Investments | | |
| Balance as at January 01 | 1,626,087 | 1,069,500 |
| Addition during the period | 78,573 | 50,000 |
| Repayments during the period | (78) | - |
| Closing balance | <u>1,704,582</u> | <u>1,119,500</u> |
| Borrowings / Deposits | | |
| Balance as at January 01 | 50,000 | 109,002 |
| Addition during the period | - | - |
| Repayments during the period | (50,000) | (80,000) |
| Closing balance | <u>-</u> | <u>29,002</u> |
| Non-Funded Commitments | | |
| Balance as at January 01 | 855,904 | - |
| Addition during the period | 1,079 | 855,904 |
| Repayments during the period | - | - |
| Closing balance | <u>856,983</u> | <u>855,904</u> |
| 11.2 Reimbursement of actual expenses incurred on behalf of a related party | <u>1,866</u> | <u>158</u> |
| 11.2.1 Transactions, income and expenses | | |
| <i>Expenses charged by:</i> | | |
| Associates | - | - |
| Other related party | 1,603 | 3,150 |
| <i>Income:</i> | | |
| Associates | 51,846 | 26,066 |
| Other related party | 7 | 254 |
| 11.3 Transactions with retirement benefit funds | | |
| Defined contribution plan | 942 | 894 |
| Defined Benefit plan | 1,332 | 1,260 |
| 11.4 Key management compensation | | |
| Salaries benefits and other expenses | 10,910 | 11,081 |
| Non-executive director's remunerations | 34 | 34 |
| | <u>10,944</u> | <u>11,115</u> |

PAK LIBYA HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE CONDENSED FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED MARCH 31, 2011

| | March 31, | March 31, |
|--|-----------------------------------|-----------------------|
| | 2011 | 2010 |
| | ----- Rupees in '000 ----- | |
| 11.5 Loans to key management personal | | |
| Balance as at January 01 | 37,396 | 6,188 |
| Addition during the period | - | 31,363 |
| Repayments during the period | <u>(1,752)</u> | <u>(357)</u> |
| Closing balance | <u><u>35,644</u></u> | <u><u>37,194</u></u> |
| 11.6 Mark-up received on loans to key management personal | | |
| | <u><u>727</u></u> | <u><u>91</u></u> |
| 12 CASH AND CASH EQUIVALENTS | | |
| Cash and balances with treasury banks | 46,203 | 65,609 |
| Balances with other banks | 12,046 | 74,549 |
| Placements | <u>50,000</u> | <u>-</u> |
| | <u><u>108,249</u></u> | <u><u>140,158</u></u> |
| 13 CREDIT RATING | | |
| The Pakistan Credit Rating Agency Limited has maintained the company's rating of AA-(Double A Minus) in the long term and A1+(A One Plus) in the short term. | | |
| 14 GENERAL | | |
| Figures have been rounded off to the nearest thousand unless stated otherwise. | | |
| 15 DATE OF AUTHORISATION | | |
| This condensed interim financial report was authorized for issue on _____ by the board of directors of the company. | | |

Chief Financial Officer

Managing Director

Director

Director