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 first quarter ended 31 March 2017 together with Directors' review thereon.

Performance review

The Company earned a profit before tax of PKR 114.392 million during first quarter of FY 2017 as against PKR 917.468 million in the corresponding quarter last year. The extraordinary profit before tax in corresponding period was due to the impact of securing assets of Kamoki Energy Limited (KEL).

Gross mark-up income during the period was PKR 266.316 million compared to PKR 267.211 million in same period last year. However, the slight decline in interest income has been off-set by considerable non-mark up income as a result of phenomenal trading activity in stock market. Moreover, gain from trading in government securities has also significantly improved thereby increasing the non mark-up income to PKR 156.392 million as compared to PKR 34.910 million in Q1-2016.

During the quarter, the Company utilised net cash flows in operating activities of PKR 845.914 million compared to cash generation of PKR 3,857.195 during year 2016. The Company re-profiled its treasury portfolio and paid off its certain liabilities to match its portfolio profile.

The summarised financial results for the quarter are as follows:

Description	**31 March 2017**	**31 March 2016**
	PKR '000	
Profit before taxation	114,392	917,468
Taxation	33,232	48,145
Profit after taxation	81,160	869,323
Earnings per share (Rupees)	132.14	1,415.43

Future prospects

The management is focusing on all possible avenues for profitable operations of the Company whilst a cautious stance is being maintained towards further asset growth. Management's strategic priority is to build and maintain a high quality of advances portfolio, therefore SME and Retail Banking activities were launched around mid of 2016.

In relation to Kamoki Energy Limited (KEL), subsequent to transfer of the said assets in Company's name, the management presented a Management Plan, highlighting all the aspects, regarding the Power Project Assets to the Board of Directors. In continuation to the efforts made for the disposal, a fresh valuation was carried out with the market value of these assets amounting to PKR 1.799 billion. Moreover, the management has also submitted a time-bound action plan to SBP for the disposal of the said non-banking assets. As per the said action plan, the management is confident to dispose-off the assets and structure a deal viable for the Company before financial year ending 2017.

Considering the favourable performance of the Company, initial capital injection requirement of PKR 4 billion in relation to the shortfall in statutory minimum capital was revisited by both the shareholders in the AGM held on 15 April 2016 and agreed to reduce the injection of capital to PKR 2 billion only as the Company has bridged the gap through organic growth. 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

Khaled Joma Ezarzor
Deputy Managing Director

Abid Aziz
Managing Director

20 April 2017
Karachi.

PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	(Un-audited) 31 March 2017	(Audited) 31 December 2016
		------- (Rupees in '000) -------	
ASSETS			
Cash and balances with treasury banks		22,209	20,420
Balances with other banks		76,225	72,705
Lendings to financial institutions	6	450,000	950,000
Investments	7	12,529,125	13,183,821
Advances	8	3,071,479	2,837,523
Other assets	9	1,565,063	1,716,856
Operating fixed assets	10	83,146	87,697
Deferred tax asset - net	11	36,575	26,419
		17,833,822	18,895,441
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	12	12,460,000	13,391,904
Deposits and other accounts	13	350,000	463,117
Sub-ordinated loans		-	-
Liabilities against assets subject to finance leases		-	-
Other liabilities		230,107	279,005
		13,040,107	14,134,026
NET ASSETS		4,793,715	4,761,415
REPRESENTED BY			
Share capital	14	6,141,780	6,141,780
Reserves		318,326	302,094
Accumulated loss		(1,709,782)	(1,774,710)
		4,750,324	4,669,164
Surplus on revaluation of assets - net of tax		43,391	92,251
		4,793,715	4,761,415
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes from 1 to 25 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 FIRST QUARTER ENDED 31 MARCH 2017

	Note	Quarter ended 31 March 2017	Quarter ended 31 March 2016
		--------(Rupees in '000)---------	
Mark-up / return / interest earned		266,316	267,211
Mark-up / return / interest expensed		180,882	210,588
Net mark-up / interest income		85,434	56,623
Reversal of provision against non-performing advances - net	8.2	(10,340)	(1,082,835)
Provision for diminution in the value of		-	-
investments - net / Impairment	7.2.4	5,652	9,781
Bad debts written off directly		-	-
		(4,688)	(1,073,054)
Net mark-up / interest / income after provisions		90,122	1,129,677
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		4,179	3,195
Dividend income		5,502	21,550
Gain from trading in securities - net	16	145,522	10,404
Income from dealing in foreign currencies		-	-
Unrealised loss on revaluation of investments classified as held-for-trading	7.2	(307)	(296)
Other income		1,496	57
Total non mark-up / interest income		156,392	34,910
		246,514	1,164,587
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		127,866	89,044
Other provisions / write offs	17	-	150,690
Other charges		4,256	7,385
Total non mark-up / interest expenses		132,122	247,119
		114,392	917,468
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		114,392	917,468
Taxation - current		28,876	9,754
- prior year		-	-
- deferred		4,356	38,391
	18	33,232	48,145
PROFIT AFTER TAXATION		81,160	869,323
Basic and diluted earnings per share (Rupees)	19	132.14	1,415.43

The annexed notes from 1 to 25 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

	Quarter ended 31 March 2017	Quarter ended 31 March 2016
	(Rupees in '000)	
Profit after taxation	81,160	869,323
Other comprehensive income-net	-	-
Items not to be reclassified in profit and loss account in subsequent periods		
Actuarial gain on defined benefit plan	-	-
Total comprehensive income for the period	81,160	869,323
Components of comprehensive income not reflected in equity		
Surplus on revaluation of 'available-for-sale securities' - net of tax*	(48,860)	59,638
Total comprehensive income	32,300	928,961

*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 25 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 FIRST QUARTER ENDED 31 MARCH 2017

	Note	31 March 2017	31 March 2016
		------- (Rupees in '000) -------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		114,392	917,468
Less: Dividend income		(5,502)	(21,550)
		108,890	895,918
Adjustments for non-cash items:			
Depreciation		6,774	6,049
Amortisation		253	140
Reversal of provision against non-performing loans and advances - net		(10,340)	(1,082,835)
Unrealised loss on revaluation of investments classified as held-for-trading		307	296
Provision / (reversal of provision) for diminution in the value of investments - net	7.2.4	5,652	(12,380)
Other provisions / write offs		-	-
Gain on sale of operating fixed assets		(15)	(42)
		2,631	(1,088,772)
		111,521	(192,854)
(Increase) / decrease in operating assets:			
Lendings to financial institutions		250,000	320,000
Investments classified as held-for-trading		(13,342)	1,093,920
Advances	8.2	(223,616)	1,105,453
Other assets (excluding advance tax)		154,090	(997,916)
		167,132	1,521,457
(Decrease) / increase in operating liabilities:			
Borrowings from financial institutions	12	(931,904)	3,770,495
Deposits and other accounts	13	(113,117)	252,233
Other liabilities		(48,898)	63,195
		(1,093,919)	4,085,923
		(815,266)	5,414,526
Income tax paid		(30,648)	(57,954)
Net cash (used in) / generated from operating activities		(845,914)	5,356,572
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available for sale securities		598,708	(5,339,629)
Net investment in held to maturity securities		-	-
Dividends received		4,975	7,953
Operating fixed assets acquired		(2,470)	(7,340)
Sale proceeds from disposal of operating fixed assets		10	-
Net cash generated from / (used in) investing activities		601,223	(5,339,016)
(Dectrease) / increase in cash and cash equivalents		(244,691)	17,556
Cash and cash equivalents at beginning of the period		793,125	96,193
Cash and cash equivalents at end of the period	22	548,434	113,749

The annexed notes from 1 to 25 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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

	Issued, subscribed and paid-up capital	Capital reserve Statutory reserve	Revenue reserve Accumulated loss	Total
	----------	---------- (Rupees in '000)	----------	
Balance as at 01 January 2016	6,141,780	143,860	(2,411,691)	3,873,949
Total comprehensive income for the first quarter ended 31 March 2016				
Profit for the period	-	-	869,323	869,323
Other comprehensive income for the period	-	-	-	-
	-	-	869,323	869,323
Transfer to statutory reserve	-	173,865	(173,865)	-
Balance as at 31 March 2016	6,141,780	317,725	(1,716,233)	4,743,272
Total comprehensive income for the three quarters ended 31 December 2016				
Profit for the period	-	-	(78,153)	(78,153)
Other comprehensive income for the period	-	-	4,045	4,045
	-	-	(74,108)	(74,108)
Transfer to statutory reserve	-	(15,631)	15,631	-
Balance as at 31 December 2016	6,141,780	302,094	(1,774,710)	4,669,164
Total comprehensive income for the for the first quarter ended 31 March 2017				
Profit for the period	-	-	81,160	81,160
Other comprehensive income for the period	-	-	-	-
	-	-	81,160	81,160
Transfer to statutory reserve	-	16,232	(16,232)	-
Balance as at 31 March 2017	6,141,780	318,326	(1,709,782)	4,750,324

The annexed notes from 1 to 25 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 FIRST QUARTER ENDED 31 MARCH 2017

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 through their representatives) extended the tenure for further thirty years upto 14 October 2038. The objectives of the Company interalia include 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 had two sales and service centers 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 31 March 2017 amounted to Rs.4.432 billion (31 December 2016: Rs.4.367 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).

In this regard, SBP has been reviewing the progress and performance of the Company and the Company has been following up the matter of additional capital injection with the Ministry of Finance (MOF). Considering the favorable performance of the Company, both Shareholders in the Annual General Meeting (AGM) held on 15 April 2016 revisited the required additional capital and agreed to reduce the capital injection from Rs.4 billion to Rs.2 billion (Rs.1 billion by each shareholder).

The SBP vide its letter no. BPRD/BA&CP/657/134/2017 dated 03 January 2017 has granted further extension in the exemption for meeting the minimum paid-up capital (free of losses) requirement till 30 June 2017 and has advised the Company to pursue the matter of capital injection with Finance Division and provide specific timeline for equity injection by the GOP in the Company by 31 March 2017.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements of the Company for the three months ended 31 March 2017 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

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 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 2016.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except that certain investments have been stated at revalued amounts in accordance with the directives of the SBP.

These condensed interim financial statements are presented in Pakistani Rupee which is 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 the management in applying the Company's accounting policies and reported amounts of the 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 2016, 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 2016 other than those disclosed below:

New Standards, Interpretations and Amendments

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the during the period:

	Effective date (annual periods beginning on or after)
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017

Following new standards / interpretations will be effective based on their applicability in the relevant period:

Standard or interpretation	**Effective date (annual periods beginning on or after)**
IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018

IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	**IASB Effective date (annual periods beginning on or after)**
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

Based on the initial assessment, the above standards/amendments will not have any effect on the condensed interim financial statements.

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 2016.

6. LENDINGS TO FINANCIAL INSTITUTIONS	**Note**	**(Un-audited) 31 March 2017**	**(Audited) 31 December 2016**
		------- (Rupees in '000) -------	
Placements	6.1	235,568	35,568
Term deposit receipts	6.2	250,000	950,000
		485,568	985,568
Less: Provision against lendings		(35,568)	(35,568)
		450,000	950,000

6.1 Placement carry mark-up rate 6.75 (2016: Nil) percent per annum and are due for maturity on 04 April 2017.

6.2 Term deposit receipts carry mark-up rate 7.2 (2016: 7.1 to 7.5) percent per annum and are due for maturity on 24 April 2017.

7. INVESTMENTS	**Held by Company**	**Given as collateral**	**Total**
	---------------- (Rupees in '000) ----------------		
Balance as at 31 March 2017 (Un-audited)	**2,858,721**	**9,670,404**	**12,529,125**
Balance as at 31 December 2016 (Audited)	3,274,853	9,908,968	13,183,821
Balance as at 31 March 2016 (Un-audited)	3,554,057	11,719,739	15,273,796

7.1 Investments by types

	Held by Company	Given as collateral	Total
	---------- (Rupees in '000) ----------		
Held-for-trading securities	13,342	-	13,342
Available-for-sale securities	3,752,778	9,594,478	13,347,256
Held-to-maturity securities	6,366	-	6,366
Investment in a joint venture			
Kamoki Energy Limited, a related party	404,867	-	404,867
	4,177,353	9,594,478	13,771,831
Less: Provision for diminution in value of investments / Impairment	(1,302,388)	-	(1,302,388)
Investments (net of provisions)	2,874,965	9,594,478	12,469,443
Less: (Deficit) / surplus on revaluation of investments classified as			
- held-for-trading securities	(307)	-	(307)
- available-for-sale securities	(15,937)	75,926	59,989
Balance as at 31 March 2017	2,858,721	9,670,404	12,529,125

7.2 Investments by segments

	Note	(Un-audited) 31 March 2017	(Audited) 31 December 2016
		------- (Rupees in '000) -------	
Federal government securities			
Market treasury bills		294,814	299,161
Pakistan investment bonds		10,091,393	10,591,982
Fully paid-up ordinary shares / certificates			
Listed	7.2.1	903,626	921,364
Unlisted		77,281	93,341
Investment in subsidiary - Unlisted		5,000	-
Fully paid-up preference shares			
Listed		25,000	25,000
Unlisted	7.2.2	300,000	300,000
Term Finance Certificates (TFCs)			
Listed		455,729	455,641
Unlisted	7.2.3	964,564	1,012,429
Participation term certificates		6,366	6,366
Strategic investment in a joint venture			
Unlisted ordinary shares - net		404,867	404,867
Other investments			
Sukuks - unlisted		243,191	247,046
Total investments		13,771,831	14,357,197
Less: Provision for diminution in value of other investments / Impairment	7.2.4	(1,302,388)	(1,296,736)
Investments (net of provisions)		12,469,443	13,060,461
Less: Unrealized loss on revaluation of 'held-for-trading' securities		(307)	-
Surplus on revaluation of 'available-for-sale' securities		59,989	123,360
Total investments at market value		12,529,125	13,183,821

7.2.1 Additional 1,008,787 ordinary shares of Agritech Limited (Agritech) at Rs.35 per share were purchased at a total consideration of Rs.35.31 million, under a buy-back arrangement, signed by the investors in year 2012, during first quarter of the financial year 2016. 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 75% of the required amount has been recorded by the Company as at 31 March 2017.

7.2.2 As at 31 March 2017, the Company has the following investments / exposures in Kamoki Energy Limited (KEL) which was 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 options, to sell the project to a third party.

Consequent to filing of winding up petition, for KEL, by Ameejee 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 certain claimants filed their claims, amounting to Rs.116.423 million before official assignee, the final outcome of which is still pending.

Nature of assets / exposures	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	704,867	(704,867)	-
As at 31 December 2016 (Audited)	704,867	(704,867)	-

*These are unlisted preference shares issued by KEL, the entire issue (100%) of these preference shares was subscribed by the Company during the year 2011. These have been fully provided due to the reasons stated above.

**This represents 50% shareholding in the ordinary shares (Rs.10 each) of KEL, which has been fully provided due to the reasons stated above. The book value represents cost of investment amounting to Rs.500 million less share of loss on interest in joint venture amounting to Rs.95.133 million upto 30 June 2012. This investment is designated as strategic investment under the Prudential Regulations for Corporate / Commercial Banking.

7.2.3 No provision has been made against the investment on the basis of exposure being guaranteed by the Government as stated in Annexure V "Guidelines in the matter of classification and provisioning of assets" of Prudential Regulations R-8 of Corporate / Commercial Banking.

SBP vide its letter no. BPRD/BPD(Policy)/2015-7848 dated 04 April 2015 has allowed 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 2015. The investment has been restructured through a TFC Investor Agreement effective from 06 May 2015.

	(Un-audited) 31 March 2017	(Audited) 31 December 2016
	------- (Rupees in '000) -------	
7.2.4 Particulars of provision		
Opening balance	1,296,736	1,437,217
Add: adjustments during the period / year	-	1,151
Charge for the period / year	5,652	22,085
Less: Reversal during the period / year	-	-
Net charge / (reversal) for the period / year	5,652	22,085
Less: Reversal on disposal	-	(163,717)
Net charge / reversal	5,652	(141,632)
Closing balance	1,302,388	1,296,736

8. ADVANCES

	Note	(Un-audited) 31 March 2017	(Audited) 31 December 2016
In Pakistan			
Loans		3,863,898	3,614,162
Net investment in finance lease		236,558	209,308
Staff loans		124,172	150,973
Consumer loans and advances		93,896	96,675
Long-term financing of export oriented projects - (LTF-EOP)		60,179	60,179
Long-term financing facility - (LTFF)		200,000	223,790
Advances - gross	8.1	4,578,703	4,355,087
Less : Provision against			
- Non-performing advances - specific provision	8.2	1,506,585	1,516,914
- Consumer loans and advances - general provision	8.2	639	650
		1,507,224	1,517,564
Advances - net of provision		3,071,479	2,837,523

8.1 Advances include amounts aggregating to Rs.1,613.05 million (31 December 2016: Rs.1,637.11) million which have been placed under non-performing status as detailed below:

31 March 2017 (Un-audited) Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	(Rupees in '000)				
OEAM	137	-	137	-	-
Substandard	4,684	-	4,684	1,171	1,171
Doubtful	53,895	-	53,895	26,948	26,948
Loss	1,554,340	-	1,554,340	1,478,466	1,478,466
	1,613,056	-	1,613,056	1,506,585	1,506,585

31 December 2016 (Audited) Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	(Rupees in '000)				
OEAM	2,453	-	2,453	-	-
Substandard	54,734	-	54,734	13,682	13,682
Doubtful	1,636	-	1,636	818	818
Loss	1,578,286	-	1,578,286	1,502,414	1,502,414
	1,637,109	-	1,637,109	1,516,914	1,516,914

8.2 Particulars of provision against non-performing advances:

	(Un-audited) 31 March 2017			(Audited) 31 December 2016		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	1,516,914	650	1,517,564	2,571,231	892	2,572,123
Charge for the period	13,474	-	13,474	333,661	-	333,661
Reversals	(23,803)	(11)	(23,814)	(1,353,288)	(242)	(1,353,530)
Net (reversals) / charge	(10,329)	(11)	(10,340)	(1,019,627)	(242)	(1,019,869)
Less: Amount written off	-	-	-	(34,690)	-	(34,690)
Closing balance	1,506,585	639	1,507,224	1,516,914	650	1,517,564

8.2.1 The provision against non-performing advances includes an impact of Forced Sale Value (FSV) benefit amounting to Rs.17.342 million (31 December 2016: Rs.17.342 million) in respect of consumer financing, and Rs.58.532 million (2016: Rs.58.532 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.

General provision against consumer finance loans represents provision made equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations issued by the SBP for Consumer Financing.

9 OTHER ASSETS

Other assets include non-banking assets acquired under satisfaction of claim in relation to KEL's exposure (refer note 7.2.2 for further details). These assets comprise of land measuring 14.125 acre, building structure and power plant. The project is situated at Kamoki, District Gujranwala, Punjab, Pakistan.

Considering the strategic importance of KEL, consequent to transfer of the said assets in Company's name the management presented a Management Plan, highlighting all the aspects, regarding the Power Project Assets to the Board of Directors. In continuation to the efforts made for the disposal, management appointed M/s. Iqbal A. Nanjee for a new valuation as at December 2016. As per the new valuation the market value of these assets were PKR 1.799 billion whilst forced sale value is PKR 1.286 billion.

The management has also submitted a time-bound action plan to SBP for the disposal of the said non-banking assets. As per the said action plan, management is confident to dispose off the assets and structure a deal viable for the Company before financial year ending 2017.

10. OPERATING FIXED ASSETS

	(Un-audited) 31 March 2017	(Audited) 31 December 2016
	------- (Rupees in '000) -------	
Capital work-in-progress	6,103	5,713
Property and equipment	73,248	79,256
Intangible assets	3,795	2,728
	83,146	87,697

10.1 Additions during the quarter ended 31 March 2017 amounted to Rs. 2.083 million while disposal had a total cost of Rs. 0.716 million (net book value of Nil). Gain on disposal on these assets was Rs.0.015 million.

11. DEFERRED TAX ASSET - net

Deferred credit arising in respect of:		
Net investment in finance leases	(33,716)	(29,867)
Accelerated tax depreciation	427	(50)
Deferred debits arising in respect of:		
Provision for compensated absences	3,498	4,527
Provision for advances, investments and other assets	82,917	82,917
Unrealized gain on quoted shares/ government securities	46	-
Unused tax losses	-	-
Share of loss in joint venture	-	-
	53,172	57,527
Deferred tax liability on surplus on revaluation of available-for-sale investments - net	(16,597)	(31,108)
	36,575	26,419

11.1 As at 31 March 2017, the Company has available deferred tax asset on provision for advances, investments and other assets (including provision against investment in KEL) amounting to Rs.1,764.879 million (2016: Rs.1,775.195 million) and on unused tax losses for quarter ended 31 March 2017 amounting to Rs. 2,006.387 million (2016: Rs.2,103.120 million). However, the management has prudently recognised the tax benefit only to the extent given above based on the absorption / admissibility of the same as forecasted in the projections approved by the Board of Directors.

12. 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)	12.1	200,000	211,904
Repurchase agreement borrowings-Repo	12.2	4,360,000	1,950,000
Privately placed term finance certificates		-	-
Borrowings from financial institutions	12.3	7,430,000	11,070,000
		11,990,000	13,231,904
Unsecured			
Clean borrowings		470,000	160,000
		12,460,000	13,391,904

12.1 The Company has entered into agreements for financing with State Bank of Pakistan (SBP) for long term financing facility (LTFF) to customers. According to terms of respective agreements, the SBP has the right to receive outstanding amount from the Company at the date of maturity of finances by directly debiting current account maintained by the Company with the SBP. Such financing shall carry interest at the rate of 2.5 (2016: 2.5) and Nil (2016: 8.40 to 10.10) percent per annum.

12.2 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 07 April 2017 (31 December 2016: 06 January 2017). The rate of mark-up on these facilities is 5.88 (31 December 2016: 5.9) percent per annum.

12.3 This includes borrowings from financial institutions as under:

Rs.2,975 million (2016: Rs.3,075 million) representing long term borrowings from certain financial institutions which are secured by way of first hypothecation charge over assets of the Company with 30 percent margin on the facility amount. They carry a mark-up rate of six months' KIBOR plus 0.35 percent to 1.00 percent per annum payable on semi-annual basis (2016: six months KIBOR plus 0.35 percent to 1.00 percent per annum payable on semi-annual basis). As at 31 March 2017, the applicable interest rates were 6.50 to 7.15 (2016: 6.50 and 7.15) percent per annum. These borrowings are due for maturity latest by December 2021 (2016: December 2021).

This represents short term borrowings (running finance and money market line) from certain financial institutions for period ranging from overnight to 12 months for running finance and 1 month to 6 months for money market line. They carry mark-up rate between one month to three months KIBOR minus 0.15 percent per annum to plus 1.25 percent per annum. Of the total short term borrowings, facilities amounting to Rs.4,455 million and are secured by way of hypothecation on all present and future loans and lease receivables and pledge of government securities.

	(Un-audited) 31 March 2017	(Audited) 31 December 2016
	------- (Rupees in '000) -------	
13. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Certificates of Investment - (in local currency)	350,000	463,117
Financial Institutions		
Certificates of Investment - (in local currency)	-	-
	350,000	463,117

13.1 The profit rates on these Certificates of Investment (COIs) range from 6.1 to 6.5 (2016: 6.15 to 6.50) percent per annum. These COIs are due for maturity on various dates latest by 18 September 2017 (2016: 21 July 2017).

14. SHARE CAPITAL

14.1 Authorised share capital

Number of shares 2017	Number of shares 2016		31 March 2017	31 December 2016
			------- (Rupees in '000) -------	
800,000	800,000		8,000,000	8,000,000

14.2 Issued, subscribed and paid-up capital

		Ordinary shares of Rs.10,000 each		
471,836	471,836	Fully paid in cash	4,718,360	4,718,360
142,342	142,342	Issued as bonus shares	1,423,420	1,423,420
614,178	614,178		6,141,780	6,141,780

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

In financial year 2014, the Company received the appeal effect orders with respect to the Appellate Tribunal Inland Revenue (ATIR) orders dated 20 February 2013 in relation to tax years 2004, 2005, 2006 and 2008 where the outcome was in favour of the Company in relation to issues of loans and advances written-off, apportionment of expenditure and loans to executives/officers and the resulting refunds were adjusted against the tax liability for the tax years 2009 and 2010. Based on the decision of ATIR, overall resulting relief and brought forward losses, there was 'nil' additional tax liability remaining for tax years 2009 and 2010. In June 2015, the Additional Commissioner Inland Revenue issued orders under section 221/124 of the ITO for the tax years 2003 to 2010 to give the appeal effect of the ATIR order. Upon Company's rectification application, a rectified order was issued which resulted in a refund of Rs.122.777 million. The Tax department has filed the references before Honorable High Court of Sindh against the order of ATIR.

For the tax year 2011, Deputy Commissioner Inland Revenue (DCIR) vide order dated 30 August 2013 passed under section 122(1) read with section 177 of Income Tax Ordinance (ITO) issued the amended assessment order and raised a demand of Rs.84.392 million. The demand mainly pertains to additions made for apportionment of expenses to dividend income/capital gains/(losses), disallowance of interest payable on accrual basis, provision for loans and advances and loss on termination of leased assets etc. The Company filed a refund claim of Rs.70.53 million for the tax year 2011 through a revised tax return; however, it did not recognise the said additional refund on a prudent basis. The Company filed an appeal with Commissioner Inland Revenue Appeals on 14 October 2013. The CIR (A) disposed the appeal vide his order No. 22 dated 26 December 2016. In relation to the said appeal, CIR (A) confirmed the treatment of DCIR on certain issues, whilst few matters were decided in favour of the Company. Therefore, an appeal before ATIR to contest the various treatments adopted in the above mentioned order issued by CIR(A) has been filed in addition to a rectification application.

For the tax year 2013, the Company received a tax demand of Rs.24.3 million on 11 November 2014 vide order under section 122 (5A) of the ITO. Against this order, rectification application was filed vide letter T-2798/2012 dated 12 December 2014 wherein it has been highlighted that the issue of apportionment of expenditure against dividend income and capital gain has been decided in favour of the Company by ATIR. Also, the Tax department did not consider the payment of tax of Rs.13.47 million. In June 2015, a rectification order under section 221 of the ITO was passed by the Additional Commissioner Inland Revenue to give effect of apportionment of financial charges and tax credits. Consequently the tax department revised its tax demand and reduced it to Rs.13.198 million. The Company filed an appeal with Commissioner Inland Revenue Appeals (CIRA) on 22 December 2014. The CIR (A) disposed the appeal vides his order No. 23 dated 26 December 2016. In relation to the said appeal, the CIR (A) confirmed the treatment of the ACIR on certain issues whilst few matters were decided in favour of the Company. Therefore, an appeal before ATIR to contest the various treatments adopted in the above mentioned order issued by CIR(A) has been filed in addition to a rectification application.

For the tax year 2014, the ACIR passed an order wherein he demanded tax of Rs.57.866 million disallowing the provision for non-performing loan and advances, apportionment of financial and administrative expenses against dividend income and capital gain, penalty imposed by the State Bank of Pakistan, treated the expenditure incurred on privately placed TFCs as capital expenditure and charged WWF. The Company filed an appeal with Commissioner Inland Revenue Appeals (CIRA) on 22 November 2016. The CIR (A) disposed the appeal vides his order No. 13 dated 16 January 2017. In relation to the said appeal, the CIR (A) confirmed the treatment of the ACIR on certain issues whilst few matters were decided in favour of the Company. Therefore, an appeal before ATIR to contest the various treatments adopted in the above mentioned order issued by CIR(A) has been filed.

No provision has been made in these condensed interim financial statements in respect of above mentioned matters as the management is hopeful of a favourable outcome on these matters.

	Note	(Un-audited) 31 March 2017	(Audited) 31 December 2016
		------- (Rupees in '000) -------	
15.2 Commitments			
Direct credit substitutes			
Contingent liabilities in respect of guarantees given favouring:			
Government		-	-
Others	15.2.1	860,496	860,487
		860,496	860,487

15.2.1 This represents the guarantees issued on behalf of Kamoki Energy Limited (KEL), a joint venture. During the year 2012, a decision was announced by the Honorable Supreme Court of Pakistan (Court), in which all contracts of RPPs were declared to be illegal and void ab initio and as a result of which the guarantee remained inoperative. Consequently, as per the opinion of the legal advisor, there cannot be any exposure of the Company under the same. Moreover, as disclosed in note 7.2.2, the process of winding up of KEL is underway.

	31 March 2017	31 December 2016
15.3 Trade - related contingent liabilities		
Contingent liabilities in respect of letters of credit favouring:		
Government	-	-
Others	241,500	241,500
	241,500	241,500
15.4 Commitments to extent credit	1,122,456	737,675
15.5 Commitments for acquisition of operating fixed assets	1,279	2,530
15.6 Commitments against other services	19,183	24,198
15.7 Unsettled investment transactions for:		
Purchase of PIBs	-	219,781
Sale/purchase of listed ordinary shares - net	-	89,705
	-	309,486

15.8 Claims not acknowledged as debt as referred to in note 7.2.2 to the financial statements.

16. GAIN FROM TRADING IN SECURITIES - NET

This includes net gain from trading in government securities amounting to Rs. 50.510 million (March 2016: Gain of Rs. 13.323 million).

17. OTHER PROVISIONS / WRITE OFFS	(Un-audited) 31 March 2017	(Un-audited) 31 March 2016
Reversal of provision against non-banking assets acquired in satisfaction of claims	-	-
Loss on sale of non-banking assets acquired in satisfaction of claims	-	116,000
	-	116,000
Other receivables - Kamoki Energy Limited	-	
Short term loan - Kamoki Energy Limited		34,690
	-	150,690

17.1 As explained in note 7.2.2, the Company, in the year 2016, acquired non-banking assets of KEL in satisfaction of its secured credit of Rs.1,250 million. These assets were 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 amounted to Rs.1,417.60 million based on valuation dated 11 October 2014 conducted by M/s. Joseph Lobo (Private) Limited.

18. TAXATION

18.1 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.

19. EARNINGS PER SHARE - BASIC AND DILUTED

	31 March 2017	31 March 2016
Profit after taxation	81,160	869,323
	-------- (Number of shares) --------	
Weighted average number of ordinary shares	614,178	614,178
	------------- (Rupees) -------------	
Earnings per share	132.14	1,415.43

20. 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) 31 March 2017					(Audited) 31 December 2016				
	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)				
20.1 Balances										
Bank balance	-	-	-	22,203	-	-	-	-	20,344	-
Lendings to financial institutions										
Opening balance	-	-	-	-	-	-	-	-	-	-
Placements / reverse repo made during the period	-	-	-		-	-	-	-	3,468,161	-
Placements / reverse repo matured during the period	-	-	-	-	-	-	-	-	(3,468,161)	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	704,867	11,201,998	500	-	-	704,867	9,062,104	500
Investment made during the period	-	-	-	4,601,248	5,000	-	-	-	10,689,453	-
Investment redeemed / disposed off during the period	-	-	-	(5,150,902)	-	-	-	-	(8,549,559)	-
Closing balance	-	-	704,867	10,652,344	5,500	-	-	704,867	11,201,998	500
Provision for diminution in value of investments	-	-	704,867	50,000	-	-	-	704,867	50,000	-
Surplus/(Deficit) on revaluation of investments	-	-	-	88,170	-	-	-	-	110,373	-

	(Un-audited) 31 March 2017					(Audited) 31 December 2016				
	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***	-	59,882	-	-	-	-	44,118	1,284,690	-	-
Addition/rollover during the period	-	-	-	-	-	-	24,717	-	-	-
Repaid/Adjusted during the period	-	(27,596)	-	-	-	-	(8,953)	(1,284,690)	-	-
Closing balance	-	32,286	-	-	-	-	59,882	-	-	-
Provision held against advances	-	-	-	-	-	-	-	-	-	-
Other assets										
Mark-up receivable on term loan										
- Gross	-	551	-	114,842	-	-	494	-	267,933	-
- Suspended / provided	-	-	-	(1,074)	-	-	-		(2,762)	-
Closing balance	-	551	-	113,768	-	-	494	-	265,171	-
Amount receivable from defined contribution plan	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Advance taxation	-	-	-	184,308	-	-	-	-	182,539	-
Other advances										
Opening balance	-	25,548	-	-	-	-	550	-	-	
Additions during the period****	-	-	-	-	-	-	25,783	-	-	
Repaid during the period	-	(25,315)	-	-	-	-	(785)	-	-	
Closing balance	-	233	-	-	-	-	25,548	-	-	-
Provision against other assets	-	-	-	-	-	-	-		-	-
Borrowings from financial Institutions										
Opening balance	-	-	-	2,260,256	-	-	-	-	2,080,804	-
Borrowings during the period	-	-	-	83,679,000	-	-	-	-	217,366,003	
Settled during the period	-	-	-	(83,559,000)	-	-	-	-	(217,186,551)	
Closing balance	-	-	-	2,380,256	-	-	-	-	2,260,256	-
Deposits and other accounts										
Opening balance	-	-	-	200,000	-	-	530	-	745,000	150,000
Additions during the period	-	-	-	200,000	-	-	546	-	700,000	170,000
Repayments during the period	-	-	-	(50,000)	-	-	(1,076)	-	(1,245,000)	(320,000)
Closing balance	-	-	-	350,000	-	-	-	-	200,000	-

	(Un-audited) 31 March 2017					(Audited) 31 December 2016				
	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	-	-	-	11,412	-	-	-	-	7,070	-
Amount payable to retirement benefit funds	-	-	-	-	5,173	-	-	-	-	5,173
Departing bonus payable / others	-	-	-	252	-	-	18,478	1,008	110	-
	-	-	-	11,664	5,173	-	18,478	1,008	7,180	5,173
Contingencies and commitments										
Letter of guarantee	-	-	860,487	-	-	-	-	860,487	-	-
Commitment to extend credit	-	17,675	-	-	-	-	17,675	-	-	-
Unsettled sale/purchase of investment transactions	-	-	-	-	-	-	-	-	244,537	-
	-	17,675	860,487	-	-	-	17,675	860,487	244,537	-

	(Un-audited) 31 March 2017					(Un-audited) 31 March 2016				
20.2 Transactions, income and expenses										
Mark-up / return / interest earned -net	-	133	-	198,094	-	-	177	-	220,884	-
Mark-up / return / interest expensed	-	-	-	1,467	-	-	9	-	59,578	2,574
Gain/(loss) on sale of securities - net	-	-	-	69,759	-	-	-	-	9,251	-
Dividend Income	-	-	-	-	-	-	-	-	10,636	-
Contribution to defined contribution plan	-	-	-	-	1,585	-	-	-	-	1,314
Contribution to defined benefit plan	-	-	-	-	2,503	-	-	-	-	2,652
Non-executive directors' fee and remuneration	458	-	-	-	-	1,268	-	-	-	-
Remunerations	-	70,996	-	-	2,425	-	27,289	-	-	1,782

* 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.

*** The opening balance include PKR 25 million, grandfathered, loan obtained by the then SEVP during FY 2009-2010 before becoming the managing director (executive director) of the Company in FY 2012. As per the terms approved by the board, the SEVP was given relaxation in certain employee loan related terms. Additionally, he was allowed to pay the entire PKR 25 million (principal) upon completion of his employment term. However, he has been paying only interest on the said loan. The loan was due for repayment on 21 February 2017 which has been settled during the quarter.

**** During the year 2016, the deputy managing director obtained an advance amounting to PKR 25 million. As per employment terms of the managing director and deputy managing director (the executive directors), the managing director/deputy managing director is entitled to 3 months salary as advance, without interest, repayable in 12 months; however, the deputy managing director requested for PKR 25 million. Considering this being a related party transaction, the board of directors approved the transaction as an interest free advance repayable within 12 months against his end of service benefits. The Company marked a lien on end of service benefit against this advance as security. The advance was due for repayment on 06 April 2017 however, has been settled at quarter end consequent to conclusion of his directorship.

21. SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

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

	(Un-audited) 31 March 2017					
	Corporate finance	Treasury	Capital Markets	SME & Retail Banking	Others	Total
	(Rupees in '000)					
Total income	75,813	240,233	100,514	5,237	1,121	422,918
Total expenses	(28,247)	(151,446)	(5,825)	(7,913)	(115,095)	(308,526)
Net income / (loss)	47,566	88,787	94,689	(2,676)	(113,974)	114,392
Segment assets (gross)	6,793,463	11,330,470	599,437	352,594	1,603,038	20,679,002
Segment non-performing loans	1,544,402			68,654		1,613,056
Segment non-performing investments & lendings	1,391,783	41,934	-	-	-	1,433,717
Segment provision required & held	1,458,924	-	-	48,300	-	1,507,224
Segment provision investments & lendings	1,296,022	41,934	-	-	-	1,337,956
Segment liabilities	1,386,737	11,265,752	220	346,925	40,473	13,040,107
Net assets						4,793,715
Return on net assets (ROA)						2.57%
Cost of funds (%)						6.12%

	(Un-audited) 31 March 2016					
	Corporate finance	Treasury	Capital Markets	Consumer Financing	Others	Total
	(Rupees in '000)					
Total income	134,851	201,199	18,616	2,189	1,018,320	1,375,175
Total expenses	(25,376)	(196,249)	(9,489)	(3,450)	(223,143)	(457,707)
Net income / (loss)	109,475	4,950	9,127	(1,261)	795,177	917,468
Segment assets (gross)	6,807,915	13,664,816	797,254	129,940	1,697,053	23,096,978
Segment non-performing loans	1,499,501	-	-	68,695	-	1,568,196
Segment non-performing investments & lendings	1,613,689	47,939	1,152	-	-	1,662,780
Segment provision required & held	1,440,970	-	-	47,424	-	1,488,394
Segment provision investments & lendings	1,424,259	47,939	1,152	-	-	1,473,350
Segment liabilities	1,510,822	13,544,817	-	88,745	321,075	15,465,459
Net assets	2,431,864	72,060	796,102	(6,229)	1,529,907	4,823,704
Return on net assets (ROA)						1.05%
Cost of funds (%)						6.70%

22. CASH AND CASH EQUIVALENTS

	(Un-audited) 31 March 2017	(Un-audited) 31 March 2016
	(Rupees in '000)	
Cash and balances with treasury banks	22,209	46,803
Balances with other banks	76,225	66,946
Placements & term deposit receipts	450,000	-
	548,434	113,749

23. 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).

24. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 20 APRIL 2017 by the Board of Directors of the Company.

25. GENERAL

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

Chief Financial Officer

Managing Director & CEO

Director

Director