



**PAiR Investment Company Limited**  
**Condensed Interim Financial Statements (Un-audited)**  
**For the Nine Months Period Ended September 30, 2016**

**PAIR Investment Company Limited**

**Condensed Interim Statement of Financial Position (Un-audited)**

**As at September 30, 2016**

	Note	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
<b>ASSETS</b>			
(Rupees in '000)			
Cash and balances with treasury banks		37,450	46,114
Balances with other banks		399,667	215,426
Lendings to financial institutions		-	-
Investments - net	5	13,056,193	18,543,009
Advances - net	6	4,329,017	3,502,948
Operating fixed assets	7	180,416	191,311
Deferred tax assets-net		258,889	259,691
Other assets - net	8	383,609	462,778
		<b>18,645,241</b>	<b>23,221,277</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings	9	7,229,827	11,652,435
Deposits and other accounts	10	1,609,399	1,890,502
Sub-ordinate loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		562,156	484,862
		<b>9,401,382</b>	<b>14,027,799</b>
<b>NET ASSETS</b>		<b>9,243,859</b>	<b>9,193,478</b>
<b>REPRESENTED BY</b>			
Share capital	11	6,000,000	6,000,000
Reserves		740,396	673,449
Unappropriated profit		2,357,952	2,390,166
		<b>9,098,348</b>	<b>9,063,615</b>
Surplus on revaluation of assets - net of deferred tax	12	145,511	129,863
		<b>9,243,859</b>	<b>9,193,478</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		

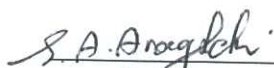
The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



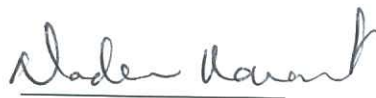
Chief Financial Officer



MD/CEO



Chairman



Chief Executive /  
Managing Director



Director





Director

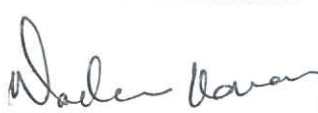
**PAiR Investment Company Limited**  
**Condensed Interim Profit and Loss Account (Un-audited)**  
**For the nine months period ended September 30, 2016**

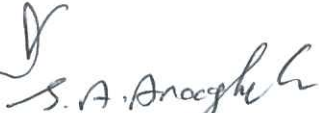
	Nine months period ended		Quarter ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
----- (Rupees in '000) -----				
Mark-up / return / interest earned	938,394	1,111,817	303,195	378,054
Mark-up / return / interest expensed	415,273	454,452	132,531	159,594
<b>Net mark-up / interest income</b>	<b>523,121</b>	<b>657,365</b>	<b>170,664</b>	<b>218,460</b>
Provision against non-performing loans and advances	53,925	36,057	32,754	11,457
(Reversal) / Provision for diminution in the value of investments - net	(153,050)	1,690	(138,756)	1,708
	(99,125)	37,747	(106,002)	13,165
<b>Net mark-up / interest income after provisions</b>	<b>622,246</b>	<b>619,618</b>	<b>276,666</b>	<b>205,295</b>
<b>NON MARK-UP / INTEREST INCOME</b>				
Fees, commission and brokerage income	12,447	9,963	5,275	1,753
Dividend income	20,973	24,279	8,144	3,248
Income / (loss) in dealing in foreign currencies	423	261	-	211
Gain on sale of securities - net	100,871	267,225	21,708	44,333
Unrealised loss on revaluation of 'held for trading' securities	(1,333)	(1,229)	(1,337)	(15,551)
Gain on sale of fixed assets	5	796	5	1
<b>Total non mark-up / interest income</b>	<b>133,386</b>	<b>301,295</b>	<b>33,795</b>	<b>33,995</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	250,867	215,991	81,137	68,758
Other charges	-	-	-	-
<b>Total non mark-up / interest expenses</b>	<b>250,867</b>	<b>215,991</b>	<b>81,137</b>	<b>68,758</b>
<b>PROFIT BEFORE TAXATION</b>	<b>504,765</b>	<b>704,922</b>	<b>229,324</b>	<b>170,532</b>
Taxation				
- Current	150,596	231,846	57,000	41,835
- Prior years	15,858	42,925	15,858	42,925
- Deferred	3,578	(7,613)	633	(8,033)
	170,032	267,158	73,491	76,727
<b>PROFIT AFTER TAXATION</b>	<b>334,733</b>	<b>437,764</b>	<b>155,833</b>	<b>93,805</b>
Earnings per share - basic and diluted - Rupees	0.56	0.73	0.26	0.16


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


  
 Chief Financial Officer

  
 MD/CEO

  
 Chairman

  
 Chief Executive /  
 Managing Director

  
 Director

  
 Director

**PAiR Investment Company Limited**

**Condensed Interim Statement of Comprehensive Income (Un-audited)**

**For the nine months period ended September 30, 2016**

	Nine months period ended		Quarter ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	----- (Rupees in '000) -----			
Profit after taxation for the period	334,733	437,764	155,833	93,805
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><u>334,733</u></u>	<u><u>437,764</u></u>	<u><u>155,833</u></u>	<u><u>93,805</u></u>

Surplus / (deficit) on revaluation of "Available-for-Sale" securities is presented under a separate account below equity as 'surplus / (deficit) on revaluation of assets' in accordance with the requirements of the State Bank of Pakistan vide its BSD Circular Letter No. 07, dated April 20, 2010.

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

*Kawser*

Chief Financial Officer

*Nadeem Khan*

MD/CEO

*S.A. Anceer*

Chairman

*Nadeem Khan*

Chief Executive /  
Managing Director

*Qasim*

Director

*Hafeez Khan*

Director

**PAIR Investment Company Limited**  
**Condensed Interim Cash Flow Statement - (Un-audited)**  
**For the nine months period ended September 30, 2016**

	September 30, 2016	September 30, 2015
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	504,765	704,922
Less: Dividend income	<u>(20,973)</u>	<u>(24,279)</u>
	483,792	680,643
<b>Adjustments for:</b>		
Depreciation	11,357	15,936
Amortisation	215	1,026
Unrealised loss on revaluation of 'held for trading' securities	1,333	1,229
Provision for non-performing loans and advances	53,925	36,057
Gain on sale of fixed assets	(5)	(796)
Provision for defined benefit plan	7,400	7,200
(Reversal) / provision for diminution in the value of investments	<u>(153,050)</u>	<u>1,690</u>
	<u>(78,825)</u>	<u>62,342</u>
	404,967	742,985
<b>Decrease / (Increase) in operating assets</b>		
Loans and advances	<u>(879,994)</u>	67,614
Others assets - net	<u>82,217</u>	<u>42,663</u>
	<u>(797,777)</u>	110,277
<b>Increase / (decrease) in operating liabilities</b>		
Borrowings	<u>(4,422,608)</u>	<u>(25,252)</u>
Deposits and other accounts	<u>(281,103)</u>	1,238,309
Other liabilities (excluding current taxation)	<u>(76,270)</u>	<u>(4,815)</u>
	<u>(4,779,981)</u>	<u>1,208,242</u>
	<u>(5,172,791)</u>	2,061,504
Income taxes paid	<u>(167,266)</u>	<u>(267,714)</u>
Payments on account of staff retirement benefits	<u>(5,800)</u>	<u>(3,546)</u>
<b>Net cash outflows from operating activities</b>	<u>(5,345,857)</u>	1,790,244
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net (investment) / disposal of securities	5,654,181	(1,823,351)
Dividend income received	17,925	24,296
Investments in operating fixed assets	(719)	(2,481)
Sale proceed from sale of operating fixed assets	47	844
<b>Net cash inflows from investing activities</b>	<u>5,671,434</u>	<u>(1,800,692)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	<u>(150,000)</u>	<u>(75,000)</u>
<b>Net cash outflows from financing activities</b>	<u>(150,000)</u>	<u>(75,000)</u>
(Decrease) / increase in cash and cash equivalents	<u>175,577</u>	<u>(85,448)</u>
Cash and cash equivalents at beginning of the period	<u>261,540</u>	<u>294,362</u>
Cash and cash equivalents at end of the period	<u><u>437,117</u></u>	<u><u>208,914</u></u>

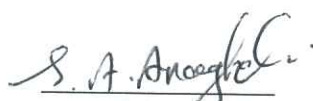
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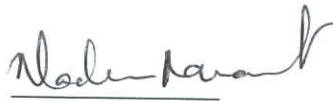
Chief Financial Officer



MD/CEO



Chairman



Chief Executive /  
Managing Director



Director




Director

**PAiR Investment Company Limited**  
**Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the nine months period ended September 30, 2016**

	Share capital	Statutory reserves	Unappropriated profit	Total
	------(Rupees in '000)-----			
Balance as at January 01, 2015	6,000,000	553,966	2,063,575	8,617,541
Profit after taxation for the nine months period ended September 30, 2015	-	-	437,764	437,764
Transfer to statutory reserve	-	87,553	(87,553)	-
Final Dividend for the year ended December 31, 2014	-		(150,000)	(150,000)
<b>Balance as at September 30, 2015</b>	<b><u>6,000,000</u></b>	<b><u>641,519</u></b>	<b><u>2,263,786</u></b>	<b><u>8,905,305</u></b>
Profit after taxation for the three months period ended December 31, 2015	-	-	158,310	158,310
Transfer to statutory reserve	-	31,930	(31,930)	-
<b>Balance as at December 31, 2015</b>	<b><u>6,000,000</u></b>	<b><u>673,449</u></b>	<b><u>2,390,166</u></b>	<b><u>9,063,615</u></b>
Profit after taxation for the Nine months period ended September 30, 2016	-	-	334,733	334,733
Final Dividend for the year ended December 31, 2015			(300,000)	(300,000)
Transfer to statutory reserve	-	66,947	(66,947)	-
<b>Balance as at September 30, 2016</b>	<b><u>6,000,000</u></b>	<b><u>740,396</u></b>	<b><u>2,357,952</u></b>	<b><u>9,098,348</u></b>

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

  
 Chief Financial Officer

  
 MD/CEO

  
 Chairman

  
 Chief Executive /  
 Managing Director

  
 Director

  
 Director

## **PAİR Investment Company Limited**

Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended September 30, 2016

### **1. STATUS AND NATURE OF BUSINESS**

PAİR Investment Company Limited, "the Company" is an unlisted Public Limited Company incorporated in Pakistan on January 15, 2007 under the Companies Ordinance, 1984.

The Company is a 50 : 50 Joint Venture between Government of Pakistan and Iran Foreign Investment Company which is owned by the Government of Iran. The Company obtained Certificate of Commencement of Business on May 29, 2007. It is engaged in financing for industrial and commercial projects, capital and money market operations and other investment banking activities. Its registered office and principal office is situated at Islamic Chamber of Commerce Building, Clifton, Karachi.

### **2. BASIS OF PREPARATION**

- 2.1** These condensed interim financial information of the Company for the nine months period ended September 30, 2016 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984 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 and the said directives have been followed. These condensed interim financial information do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2015.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for DFIs through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for financial institutions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

- 2.2** These condensed interim financial information have been prepared under the historical cost convention except that certain investments had been marked to market and are carried at fair value.
- 2.3** These condensed interim financial information are presented in Pakistani Rupees which is the Company's functional and presentation currency.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 3.1** The accounting policies adopted for the purpose of this condensed interim financial information are the same as those applied in preparation of annual financial statements for the year ended December 31, 2015.

### **4. ACCOUNTING ESTIMATES AND RISK MANAGEMENT POLICIES**

- 4.1** The basis for accounting estimates adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2015.
- 4.2** The financial risk management objectives and policies adopted by the Company are consistent with that disclosed in the financial statements of the Company for the year ended December 31, 2015.

5. INVESTMENTS - NET	September 30, 2016 (Un-audited)			December 31, 2015 (Audited)		
	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
5.1. Investments by type	----- (Rupees in '000) -----					
<b>Held for trading securities</b>						
Fully paid up ordinary shares - listed	104,456	-	104,456	50,461	-	50,461
Pakistan Investment Bond	936,964	1,041,072	1,978,036	433,950	805,822	1,239,772
Market treasury bills	-	-	-	638,631	4,322,407	4,961,038
	1,041,420	1,041,072	2,082,492	1,123,042	5,128,229	6,251,271
<b>Available for sale</b>						
Treasury bills	1,104,452	3,282,160	4,386,612	1,924,043	1,924,044	3,848,087
Pakistan Investment Bond	728,152	2,028,423	2,756,575	871,908	3,749,214	4,621,122
Units of mutual funds - listed	400,000	-	400,000	300,000	-	300,000
Fully paid up ordinary shares - listed	576,054	-	576,054	635,595	-	635,595
Fully paid up ordinary shares - unlisted	296,860	-	296,860	296,860	-	296,860
Sukuk bonds	215,294	-	215,294	240,003	-	240,003
Term finance certificates - listed	1,411,245	-	1,411,245	1,630,340	-	1,630,340
Term finance certificates - unlisted	972,349	-	972,349	782,274	-	782,274
	5,704,406	5,310,583	11,014,989	6,681,023	5,673,258	12,354,281
<b>Held to maturity</b>						
Preference share	-	-	-	143,333	-	143,333
	-	-	-	143,333	-	143,333
<b>Investments at cost</b>	6,745,826	6,351,655	13,097,481	7,947,398	10,801,487	18,748,885
Less: Provision for diminution in value of investments	(225,730)	-	(225,730)	(378,780)	-	(378,780)
<b>Investments - net of provision</b>	6,520,096	6,351,655	12,871,751	7,568,618	10,801,487	18,370,105
Surplus / (Deficit) on revaluation of 'held for trading' securities	(282)	(314)	(596)	(126)	864	738
Surplus on revaluation of 'available' for sale securities	95,827	89,211	185,038	118,606	53,560	172,166
<b>Total Investments at market value</b>	<b>6,615,641</b>	<b>6,440,552</b>	<b>13,056,193</b>	<b>7,687,098</b>	<b>10,855,911</b>	<b>18,543,009</b>

5.2. During the period the Company received an offer for sale of 29,685,986 shares in Burj Bank, from AlBaraka Bank (on behalf of AlBaraka Islamic Bank (AIB)) for Rs. 4/- share, the same was duly approved by the Board of PAIR Investment Company Limited. The offer is made as a part of scheme of amalgamation of Burj Bank into AlBaraka Bank. The transaction will come in effect subject to completion of regulatory approvals by the amalgamating entities. These shares were acquired on the face value, however, as at September 30, 2016 they are held at Rs 3.5/- (December 31, 2015: Rs 3.5/-) per share.

6. ADVANCES - NET	September 30, 2016 (Un-audited)		December 31, 2015 (Audited)	
	----- (Rupees in '000) -----			
Loans and advances - in Pakistan	5,088,503		4,302,503	
Bills discounted and purchased (excluding market treasury bills) - payable in Pakistan	24,618		-	
Net investment in finance lease - in Pakistan	131,052		64,069	
Staff loans	46,297		43,904	
Advances - gross	5,290,470		4,410,476	
Provision for non performing loans and advances	(961,453)	6.1	(907,528)	
Advances - net of provision	<b>4,329,017</b>		<b>3,502,948</b>	

6.1 Advances include 1,292.019 million (December 2015: 1,300.078 million) which have been placed under non-performing status as detailed below:

Category of classification	As at September 30, 2016 - Unaudited				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	231,481	-	231,481	41,990	41,990
Doubtful	-	-	-	-	-
Loss	1,060,538	-	1,060,538	919,463	919,463
	1,292,019	-	1,292,019	961,453	961,453
Category of classification	As at December 31, 2015 - Audited				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	236,481	-	236,481	32,999	32,999
Doubtful	8,904	-	8,904	8,904	8,904
Loss	1,054,693	-	1,054,693	865,625	865,625
	1,300,078	-	1,300,078	907,528	907,528



6.1.1 Particulars of provision against non-performing advances:

	September 30, 2016			December 31, 2015		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	907,528	-	907,528	871,281	-	871,281
Charge for the period	58,049	-	58,049	37,308	-	37,308
Reversal	(4,124)	-	(4,124)	(1,061)	-	(1,061)
	53,925	-	53,925	36,247	-	36,247
Amount written off	-	-	-	-	-	-
Closing balance	961,453	-	961,453	907,528	-	907,528

6.1.2 In accordance with BSD Circular No. 1 dated October 21, 2011 issued by the State Bank of Pakistan, the Company has availed the benefit of Forced Sales Values (FSVs) against the non-performing advances. Had this benefit of FSV not been taken by the Company, the specific provision against non-performing advances would have been higher by Rs. 156.954 million. Further, this amount arising from availing the benefit of FSV is not available for distribution amongst the shareholders either in the form of cash or stock dividend.

	September 30,	December 31,
	2016	2015
	(Un-audited)	(Audited)
<b>7 OPERATING FIXED ASSETS</b>	(Rupees in '000)	
Addition (Cost)	719	2865
Deletion/Disposals (WDV)	(42)	(159)
<b>8. OTHER ASSETS - NET</b>	(Rupees in '000)	
Income / mark-up accrued in local currency	338,743	435,767
Dividend receivable	3,483	435
Security deposits	7,231	7,231
Advances, deposits, advance rent and other prepayments	34,152	19,345
	383,609	462,778
<b>9. BORROWINGS</b>	<b>Note</b>	
In Pakistan- local currency	9.1	
	7,229,827	11,652,435
<b>9.1 Detail of borrowings secured / unsecured</b>		
<b>Secured</b>		
Borrowings from State Bank of		
-Financing Facility for Storage of Agricultural Produce (FFSAP)	9.2	9,870
-Imported & Locally Manufactured Plant & Machinery (LTFF)	9.3	273,150
Repurchase agreement borrowings	9.4	6,221,807
Term borrowing	9.5	625,000
		7,129,827
<b>Unsecured</b>		
Clean borrowings		100,000
		7,229,827
		11,652,435

- 9.2 The Company has entered into agreement with the SBP for extending Financing Facility for Storage of Agricultural Produce (FFSAP) to a customer. This borrowing carries mark-up rate of 2.5% per annum (December 31, 2015: 4% per annum). The borrowing will mature in November 2019.
- 9.3 The Company has entered into agreement with the SBP for extending Financing Facility for Imported & locally manufactured plant and machinery (LTFF) to a customer. This borrowing carries mark-up rate of 2% per annum (December 31, 2015: 2% per annum). The borrowing will mature in November 2023.
- 9.4 These carry mark-up at rates ranging from 5.90% to 6.10% per annum (December 31, 2015: 6.40% to 6.55% per annum) and are secured against Government Securities having carrying amount of Rs. 6,369 million (December 31, 2015: Rs. 10.6 billion). The borrowings will mature up to July 2016 (December 31, 2015: February 2016).
- 9.5 This represent finance obtained from Allied Bank Limited to finance the regular business operations of the Company. The finance is secured by pledge of listed term finance certificates. and open ended mutual funds. It carries mark up at the rate of 6 months KIBOR + 0.5% per annum. It is repayable in semi annual installments and shall be repaid by 2019.

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

**10. DEPOSITS AND OTHER ACCOUNTS**

**Customers**

Term Deposits - Remunerative 10.1 1,409,399 240,502

**Financial Institutions**

Term Deposits - Remunerative 10.2 200,000 1,650,000

1,609,399 1,890,502

**10.1** The mark-up rates on these COIs range between 6.30% to 7.0% per annum (December 31 2015 : 6.8% to 7.5% per annum). These COIs will mature up to October 02, 2017 (December 31, 2015: March 2016). This includes non-markup COIs issued to employees amounting to Rs. 0.24 million (December 31, 2015: Rs. 0.14 million) maturing up to October 02, 2017 (December 31, 2015: November 2016).

**10.2** The mark-up rates on these COIs range between 6.6% to 6.6% per annum (2015 : 6.8% to 7.5% per annum). These COIs will mature up to October 13, 2016 (December 31, 2015: March 2016).

**11. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

**Ordinary Shares of Rs.10 each**

September 30, 2016 (Un-audited)	December 31, 2015 (Audited)		September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
(Number of shares)			(Rupees in '000)	

<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>
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**Issued, subscribed and paid-up capital**

**Ordinary Shares of Rs.10 each**

**(Number of shares)**

<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each issued for cash	<u>6,000,000</u>	<u>6,000,000</u>
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September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
(Rupees in '000)	

**12. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX**

Surplus / (Deficit) arising on revaluation of quoted securities	14,558	(13,148)
(Deficit) / Surplus arising on revaluation of T-Bills	(1,949)	3,849
Surplus / (Deficit) arising on revaluation of TFCs	10,180	(5,538)
Surplus arising on revaluation of PIB	154,482	176,853
Surplus arising on revaluation of mutual funds	<u>7,767</u>	<u>10,150</u>
	185,038	172,166
Related deferred tax asset	<u>(39,527)</u>	<u>(42,303)</u>
	<u>145,511</u>	<u>129,863</u>

**13. CONTINGENCIES AND COMMITMENTS**

**13.1 Contingencies**

The department of inland revenue has re-opened the assessment for the tax years 2009, 2010, 2011, 2013, 2014, 2015 and raised an additional demand of Rs 189 million in respect of allocation of capital gain, expenses against exempt capital gains and dividend income subject to tax at reduced rate and Workers' Welfare Fund (WWF).

The Company has filed appeals with the Commissioner Appeal against the aforementioned orders and the management is confident that the outcome of the appeals will be in favour of the Company

Further SRB has also served notices for the years ended July 2011-2015 in which raised demand is 3.053 Million.

**13.1 Commitments in respect of repo transactions**

Repurchase agreement borrowings	-	<u>106,732</u>
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**13.2 Direct Credit Substitutes**

<u>157,020</u>	<u>-</u>
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**13.3 Commitments to extend credit**

The Company makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

14. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	Nine months period ended September 30, 2016			
	Corporate finance	Trading and sales	Commercial banking	Total
	----- (Rupees in '000) -----			
Total income - gross	12,447	856,479	202,854	1,071,780
Total markup / return / interest expense	-	357,729	57,544	415,273
Segment provision / (reversal) / impairment/ unrealised losses	-	(12,050)	(87,075)	(99,125)
Net operating income	12,447	345,679	(29,531)	316,148
Administrative expenses and other charges			232,385	755,632
Profit before taxation				250,867
				504,765
Segment assets		12,294,358	6,350,883	18,645,241
Segment impaired assets / non performing loans	-	223,043	1,443,204	1,666,247
Segment provision required and held	-	10,777	1,176,406	1,187,183
Segment liabilities	-	7,970,014	1,431,368	9,401,382
Segment return on assets (ROA)(%)	-	5.54%	4.88%	5.40%
Segment cost of funds(%)	-	5.98%	5.36%	5.89%

	Nine months period ended September 30, 2015			
	Corporate finance	Trading and sales	Commercial banking	Total
	----- (Rupees in '000) -----			
Total income - gross	9,963	974,053	429,096	1,413,112
Total markup / return / interest expense	-	302,368	152,084	454,452
Segment provision / (reversal) / impairment/ unrealised losses	-	(1,690)	3,368	3,368
Net operating income	9,963	300,678	36,057	34,367
Administrative expenses and other charges			191,509	492,187
Profit before taxation		673,375	237,587	920,925
				215,991
				704,934
Segment assets	-	11,146,663	9,473,863	20,620,526
Segment non performing loans	-	-	1,856,643	1,856,643
Segment provision required and held	-	-	(1,347,743)	(1,347,743)
Segment liabilities	-	8,132,549	2,905,762	11,038,311
Segment return on assets (ROA)(%)	-	7.03%	2.30%	4.53%
Segment cost of funds(%)	-	2.36%	5.90%	4.04%

15. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, directors and key management personnel and their close family members and retirement benefit funds.

Transactions with related parties are executed substantially on the same terms, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
	----- (Rupees in '000) -----	
The Key Management Personnel / Directors compensation is as follows		
<b>Loans and advances to key management personnel</b>		
Balance at beginning of the period / year	29,818	17,228
Loans granted during the period / year	1,369	22,169
Repayments during the period / year	(3,071)	(9,579)
Balance at end of the period / year	<u>28,116</u>	<u>29,818</u>

	September 30, 2016 (Unaudited) ------(Rupees in '000)-----	December 31, 2015 (Audited)
<b>Deposits from the key management personal</b>		
Balance at beginning of the period / year	60	20
Deposits received during the period / year	360	60
Deposits redemed during the period / year	(300)	(20)
Balance at end of the period / year	120	60
Receivable from Iran Foreign Investment Company (net)	2,565	2,218
Dividend payable to Iran Foreign Investment Company	300,000	150,000
Deposit from PAIR Investment Co. Ltd. Employees Gratuity Fund	1,400	-
Deposit from Pak Iran Joint Inv. Co. Ltd. Staff Provident Fund	1,500	-
Receivable from PAIR Investment Employee Gratuity Funds	2,500	-
Disposal of Fixed Assets to Key Management Personal	25	-

	September 30, 2016 (Unaudited) ------(Rupees in '000)-----	September 30, 2015 (Unaudited)
Mark-up earned on loans and advances to key management personnel	1,015	1,629
Non-Executive Director's remuneration	1,723	1,340
Salaries and benefits	116,353	92,032
Contribution to defined contribution plan	4,750	4,159
Amount transferred to provident fund	13,373	10,106
Amount transferred to gratuity fund	5,800	-
Dividend paid to Ministry of Finance - Govt. of Pakistan	150,000	75,000

\*Directors are also given travelling allowance of Euro 5,000/- per meeting for attending the board meetings held during the period.

#### 16. CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained long term rating at "AA" (Double A) and has maintained the short term rating at "A1+" (A one plus) of the Company.

#### 17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

#### 18. RECLASSIFICATION

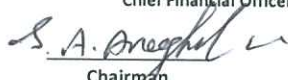
For the better presentation of interim financial information, the figures have been reclassified as follows:


From	To	Rs in '000
Investments	Other assets	264,363

#### 19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 28/10/2016 by the Board of Directors.

  
 Chief Financial Officer

  
 Chairman

  
 Chief Executive /  
 Managing Director

  
 MD/CEO

  
 Director