


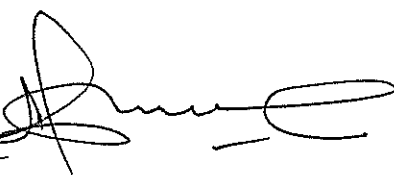
**PAIR Investment Company Limited**  
**Condensed Interim Financial Statements (Un-audited)**  
**For the Nine Months Period Ended September 30, 2013**

PAİR Investment Company Limited  
Condensed Interim Statement of Financial Position  
As at September 30, 2013

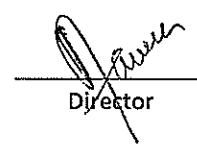
	Note	September 30, 2013 (Un-audited)	December 31, 2012 (Audited) (Restated)
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks		27,941	43,999
Balances with other banks		61,607	106,586
Lendings to financial institutions		-	-
Investments - net	7	12,046,927	10,841,572
Advances - net	8	4,255,481	4,325,337
Operating fixed assets	9	199,994	56,047
Deferred tax assets-net		125,121	110,656
Other assets - net	10	308,454	253,291
		<b>17,025,525</b>	<b>15,737,488</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings	11	8,265,351	6,721,178
Deposits and other accounts	12	25,080	545,080
Sub-ordinate loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		215,520	273,658
		<b>8,505,951</b>	<b>7,539,916</b>
<b>NET ASSETS</b>		<b>8,519,574</b>	<b>8,197,572</b>
<b>REPRESENTED BY</b>			
Share capital	13	6,000,000	6,000,000
Reserves		498,152	415,747
Unappropriated profit		1,940,678	1,611,058
		<b>8,438,830</b>	<b>8,026,805</b>
Surplus on revaluation of assets - net of deferred tax	14	80,744	170,767
		<b>8,519,574</b>	<b>8,197,572</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15		

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive /  
Managing Director


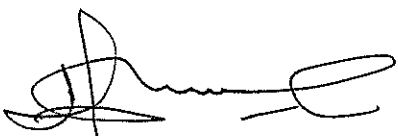


  
Director

  
Director

PAiR Investment Company Limited  
 Condensed Interim Profit and Loss Account (Un-audited)  
 For the nine months period ended September 30, 2013

	Nine months period ended		Quarter ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
------(Rupees in '000)-----				
Mark-up / return / interest earned	916,638	1,110,611	254,741	376,575
Mark-up / return / interest expensed	382,849	492,574	74,096	186,993
<b>Net mark-up / interest income</b>	<b>533,789</b>	<b>618,037</b>	<b>180,645</b>	<b>189,582</b>
Provision against non-performing loans and advances	87,500	87,500	43,750	87,500
Provision against placements	-	-	-	-
(Reversal) against / provision for diminution in the value of investments - net	(45,597)	(10,359)	(40,612)	29,486
Bad debts written-off directly	-	-	-	-
	41,903	77,141	3,138	116,986
<b>Net mark-up / interest income after provisions</b>	<b>491,886</b>	<b>540,896</b>	<b>177,507</b>	<b>72,596</b>
<b>NON MARK-UP / INTEREST INCOME</b>				
Fees, commission and brokerage income	15,889	16,612	11,411	6,003
Dividend income	18,269	14,248	3,045	1,781
Income / (loss) in dealing in foreign currencies	825	121	722	(84)
Gain on sale of securities - net	190,180	56,501	76,507	32,969
Unrealised (loss) / gain on revaluation of 'held for trading' securities	(1,719)	944	(1,682)	1,091
Gain on sale of fixed assets	2,626	346	2,023	93
<b>Total non mark-up / interest income</b>	<b>226,070</b>	<b>88,772</b>	<b>92,026</b>	<b>41,853</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	211,446	170,570	82,814	58,844
Other (reversal) / charges	(64,902)	10,862	(13,444)	2,547
<b>Total non mark-up / interest expenses</b>	<b>146,544</b>	<b>181,432</b>	<b>69,370</b>	<b>61,391</b>
<b>PROFIT BEFORE TAXATION</b>	<b>571,412</b>	<b>448,236</b>	<b>200,163</b>	<b>53,058</b>
Taxation				
- Current	151,433	174,000	50,500	53,000
- Prior years	22,067	-	-	-
- Deferred	(14,113)	(29,352)	(5,572)	(26,156)
	159,387	144,648	44,928	26,844
<b>PROFIT AFTER TAXATION</b>	<b>412,025</b>	<b>303,588</b>	<b>155,235</b>	<b>26,214</b>
Earnings per share - basic and diluted - Rupees	0.69	0.51	0.26	0.04

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

			
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, 2013


	Nine months period ended		Quarter ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	----- (Rupees in '000) -----			
Profit after taxation for the period	412,025	303,588	155,235	26,214
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>412,025</u>	<u>303,588</u>	<u>155,235</u>	<u>26,214</u>

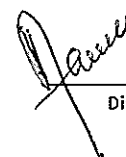
Surplus / (deficit) on revaluation of "Available-for-Sale" securities is presented under a separate account below equity as "surplus / (deficit) on revaluation of assets" in accordance with the requirements of the State Bank of Pakistan vide its BSD Circular Letter No. 07, dated April 20, 2010.

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive /  
Managing Director

  
Director

  
Director


PAiR Investment Company Limited  
Condensed Interim Cash Flow Statement - (Un-audited)  
For the nine months period ended September 30, 2013

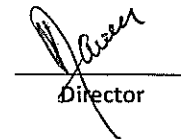
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	571,412	448,236
Less: Dividend income	<u>(18,269)</u>	<u>(14,248)</u>
	553,143	433,988
Adjustments for:		
Depreciation	19,182	14,529
Amortisation	2,912	2,118
Unrealised loss / (gain) on revaluation of 'held for trading' securities	1,719	(944)
Provision for non-performing loans and advances	87,500	87,500
Provision against government levies	(64,902)	10,862
Gain on sale of fixed assets	(2,626)	(346)
Provision for defined benefit plan	8,447	4,825
Reversal against provision for diminution in the value of investments	<u>(45,597)</u>	<u>(10,359)</u>
	6,635	108,185
	559,778	542,173
(Increase) in operating assets		
Lendings to financial institutions	-	-
Loans and advances	(17,644)	(1,664,893)
Others assets - net	<u>(53,428)</u>	<u>(10,396)</u>
	(71,072)	(1,675,289)
Increase / (decrease) in operating liabilities		
Borrowings	1,544,173	2,374,229
Deposits and other accounts	(520,000)	705,040
Other liabilities (excluding current taxation)	<u>(481)</u>	<u>27,713</u>
	1,023,692	3,106,982
	1,512,398	1,973,866
Income tax paid	(173,852)	(162,536)
Defined benefits paid	<u>(1,202)</u>	<u>(998)</u>
<b>Net cash flows from operating activities</b>	<b>1,337,344</b>	<b>1,810,332</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments	(1,251,500)	(1,723,625)
Dividend income received	16,534	13,142
Investments in operating fixed assets	(167,916)	(36,415)
Sale proceed from sale of operating fixed assets	4,501	1,647
<b>Net cash flows from investing activities</b>	<b>(1,398,381)</b>	<b>(1,745,251)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(25,000)
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>(25,000)</b>
(Decrease) / increase in cash and cash equivalents	(61,037)	40,081
Cash and cash equivalents at beginning of the period	<u>150,585</u>	<u>29,818</u>
Cash and cash equivalents at end of the period	<u><u>89,548</u></u>	<u><u>69,899</u></u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive /  
Managing Director

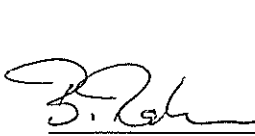

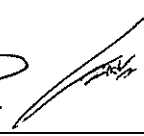
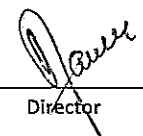
  
Director

  
Director

PAiR Investment Company Limited  
Condensed Interim Statement of Changes in Equity (Un-audited)  
For the nine months period ended September 30, 2013

	Share capital	Statutory reserves	Unappropriated profit	Total
	------(Rupees in '000)-----			
Balance as at January 1, 2012	6,000,000	327,714	1,310,862	7,638,576
Effect of change in accounting policy- note 4.2	-	-	(1,834)	(1,834)
Balance as at January 1, 2012 - restated	6,000,000	327,714	1,309,028	7,636,742
Profit after taxation for the nine months period ended September 30, 2012	-	-	303,588	303,588
Transfer to statutory reserve	-	60,718	(60,718)	-
Interim dividend for the nine months period ended September 30, 2012 @ 0.83% per share	-	-	(50,000)	(50,000)
Balance as at September 30, 2012 - restated	6,000,000	388,432	1,501,898	7,890,330
Profit after taxation for the three months period ended December 31, 2012 - restated	-	-	136,574	136,574
Effect of change in accounting policy	-	-	(99)	(99)
	-	-	136,475	136,475
Transfer to statutory reserve	-	27,315	(27,315)	-
Balance as at December 31, 2012 - restated	6,000,000	415,747	1,611,058	8,026,805
Profit after taxation for the nine months period ended September 30, 2013	-	-	412,025	412,025
Transfer to statutory reserve	-	82,405	(82,405)	-
Balance as at September 30, 2013	6,000,000	498,152	1,940,678	8,438,830

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

			
Chairman	Chief Executive / Managing Director	Director	Director

**PAIR Investment Company Limited**

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

For the nine months period ended September 30, 2013

**1. STATUS AND NATURE OF BUSINESS**

PAIR Investment Company Limited is a Public Limited Company incorporated in Pakistan on January 15, 2007 under the Companies Ordinance, 1984. The Company has been notified as a Development Financial Institution (DFI) by the Ministry of Finance, Government of Pakistan. The Company is a 50 : 50 Joint Venture between Government of Pakistan and Iran Foreign Investment Company which is owned by 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 ICCI building, Clifton, Karachi.

**2. BASIS OF MEASUREMENT**

These 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 State Bank of Pakistan.

**3. STATEMENT OF COMPLIANCE**

These financial statements are unaudited and are presented 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 and the State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

The Disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2012.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

4.1 The accounting policies adopted for the purpose of these financial statements are the same as those applied in preparation of annual financial statements for the year ended December 31, 2012.

4.2 The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect of the change in accounting policy on the prior periods financial statements have been summarised below:

	December 31, 2012	December 31, 2011
	----(Rupees in '000)----	
Increase/ (Decrease) in un-appropriated profit	(39)	(1,834)
Increase in statutory reserves	28	-
(Decrease) / Increase in other liabilities	(60)	2,822
Decrease / (Increase) in deferred tax assets	21	(988)

	For the year ended	
	December 31, 2012	December 31, 2011
	----- (Rupees in '000) -----	
Increase in profit before tax	212	-
Decrease in taxation - deferred	(74)	-
Increase in profit after tax	138	-
Increase in other comprehensive income - net of deferred tax	99	-

## 5. ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and associated assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The judgments, estimates and associated assumptions are based on historical experiences, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The significant judgments made by the management in applying the accounting policies and the key sources of estimating uncertainty were the same as those applied to financial statements for the year ended December 31, 2012 except fixed assets and depreciation.

The Company revised the estimated residual values of certain motor vehicles with effect from August 1, 2013. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charge for the current financial year has been increased by Rs. 4.08 million.

## 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2012.



7. INVESTMENTS - NET	September 30, 2013 (Un-audited)			December 31, 2012 (Audited)		
	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
7.1. Investments by type	----- (Rupees in '000) -----					
<b>Held for trading securities</b>						
Fully paid up ordinary shares / certificates / units - listed	1,660	-	1,660	5,476	-	5,476
Market treasury bills	19,663	5,890,565	5,910,228	-	-	-
	21,323	5,890,565	5,911,888	5,476	-	5,476
<b>Available for sale</b>						
Treasury bills	496,354	-	496,354	547,714	4,654,098	5,201,812
Units of mutual funds - listed	2,000,002	-	2,000,002	1,304,564	-	1,304,564
Fully paid up ordinary shares - listed	413,540	-	413,540	424,132	-	424,132
Fully paid up ordinary shares - unlisted	296,860	-	296,860	296,860	-	296,860
Sukuk bonds	327,126	-	327,126	368,655	-	368,655
Term finance certificates - listed	1,904,580	-	1,904,580	2,841,581	-	2,841,581
Term finance certificates - unlisted	869,424	-	869,424	660,240	-	660,240
	6,307,886	-	6,307,886	6,443,746	4,654,098	11,097,844
<b>Held to maturity</b>						
Preference share	100,000	-	100,000	-	-	-
Commercial papers	35,398	-	35,398	-	-	-
	135,398	-	135,398	-	-	-
<b>Investments at cost</b>	6,464,607	5,890,565	12,355,172	6,449,222	4,654,098	11,103,320
Less: Provision for diminution in value of investments	(393,628)	-	(393,628)	(439,225)	-	(439,225)
<b>Investments - net of provision</b>	6,070,979	5,890,565	11,961,544	6,009,997	4,654,098	10,664,095
Deficit on revaluation of 'held for trading' securities	(7)	(1,983)	(1,990)	(271)	-	(271)
Surplus / (deficit) on revaluation of 'available' for sale securities	87,373	-	87,373	174,816	2,932	177,748
<b>Total Investments at market value</b>	<u>6,158,345</u>	<u>5,888,582</u>	<u>12,046,927</u>	<u>6,184,542</u>	<u>4,657,030</u>	<u>10,841,572</u>

8. ADVANCES - NET	September 30, 2013 (Un-audited)		December 31, 2012 (Audited)	
	----- (Rupees in '000) -----			
Loans in Pakistan		4,438,422		4,420,992
Staff loans		109,572		109,499
Advances - gross		4,547,994		4,530,491
Provision for non performing loans and advances	8.1	(292,513)		(205,154)
Advances - net of provision		<u>4,255,481</u>		<u>4,325,337</u>
8.1 Advances include Rs. 739.443 million (December 2012 : Rs. 741.447 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	-	-	-	-	-
Doubtful	350,000	-	350,000	175,000	175,000
Loss	389,443	-	389,443	117,513	117,513
	<u>739,443</u>	<u>-</u>	<u>739,443</u>	<u>292,513</u>	<u>292,513</u>

8.1.1 Particulars of provision against non-performing advances:

	September 30, 2013			December 31, 2012		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	205,154	-	205,154	117,654	-	117,654
Charge for the period	87,500	-	87,500	87,500	-	87,500
Reversal	-	-	-	-	-	-
	87,500	-	87,500	87,500	-	87,500
Amount written off	(141)	-	(141)	-	-	-
Closing balance	292,513	-	292,513	205,154	-	205,154

8.1.2 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. 271.93 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.

9. OPERATING FIXED ASSETS

	(Un-audited)	(Audited)
	(Rupees in '000)	
Operating fixed assets - book value	199,994	56,047

10. OTHER ASSETS - NET

	September 30,	December 31,
	2013	2012
	(Un-audited)	(Audited)
	(Rupees in '000)	
Income / mark-up accrued in local currency	250,445	230,664
Dividend receivable	1,735	-
Security deposits	7,181	6,508
Advances, deposits, advance rent and other prepayments	49,093	16,119
	<u>308,454</u>	<u>253,291</u>

11. BORROWINGS

		September 30,	December 31,
		2013	2012
		(Un-audited)	(Audited)
		(Rupees in '000)	
<b>Secured</b>			
Borrowing from State Bank of Pakistan against refinance scheme	11.1	29,598	36,174
Repurchase agreement borrowings	11.2	5,485,753	4,651,671
Term borrowing	11.3	1,500,000	1,833,333
		<u>7,015,351</u>	<u>6,521,178</u>
<b>Unsecured</b>			
Clean borrowings		<u>1,250,000</u>	<u>200,000</u>
		<u>8,265,351</u>	<u>6,721,178</u>

11.1 This represents Financing Facility for storage of Agricultural Produce (FFSAP) on concessional rates to develop the agricultural produce marketing and enhance storage capacity. The loan availed under the facility shall be repaid in November 2019. This borrowing carries mark-up rate of 6.50% per annum (December 2012 : 6.50%).

11.2 The mark-up rates on these borrowings range from 8.40% to 9.50% per annum (December 2012: 9.30% to 9.40% per annum) and are due to mature up to October 2013 (December 2012: January 2013).

11.3 This represent finance obtained from a commercial bank to finance the regular business operations of the Company. The finance is secured by pledge of securities. 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 2017.

	September 30, 2013 (Un-audited)	December 31, 2012 (Audited)
	(Rupees in '000)	
<b>12. DEPOSITS AND OTHER ACCOUNTS</b>		
Certificates of Investments (COIs) - remunerative (in local currency)		
Financial institutions	-	-
Others	25,080	545,080
	<u>25,080</u>	<u>545,080</u>

12.1 The mark-up rates on these COIs range between 0% to 8.85% per annum (2012 : 0% to 12% per annum). These COIs will mature up to September 2014.

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

Ordinary Shares of Rs.10 each			
September 30, 2013 (Un-audited)	December 31, 2012 (Audited)		September 30, 2013 (Un-audited)
(Number of shares)			December 31, 2012 (Audited)
			(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>
<b>Issued, subscribed and paid-up capital</b>			
<b>Ordinary Shares of Rs.10 each</b>			
2013	2012		
(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>

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

	September 30, 2013 (Un-audited)	December 31, 2012 (Audited)
	(Rupees in '000)	
Surplus / (deficit) arising on revaluation of quoted equity securities	1,561	(2,278)
Surplus arising on revaluation of mutual funds	72,568	57,533
(Deficit) / surplus arising on revaluation of T-Bills	(247)	3,510
Surplus arising on revaluation of TFCs	<u>13,491</u>	<u>118,983</u>
	87,373	177,748
Related deferred tax (liability)	<u>(6,629)</u>	<u>(6,981)</u>
	<u>80,744</u>	<u>170,767</u>

**15. CONTINGENCIES AND COMMITMENTS**

**15.1 Contingencies**

The department of inland revenue has re-opened the assessment for the tax years 2009 and 2010 and raised an additional demand in respect of allocation of expenses against exempt capital gains and dividend income subject to tax at reduced rate and workers' welfare fund.

The Company in consultation with the Tax Advisor has filed an appeal and is confident that the ultimate outcome on the matter would be in favor of the Company inter alia on the basis of the advice of the tax consultants.

**15.2 Commitments in respect of repo transactions**

	September 30, 2013 (Un-audited)	December 31, 2012 (Audited)
	(Rupees in '000)	
Commitments in respect of repo transactions	<u>5,706,933</u>	<u>4,665,784</u>
Commitments to extend credit	<u>1,234,408</u>	<u>1,566,668</u>

**15.3 Transaction related contingent liabilities**

- Guarantees	<u>150,000</u>	<u>150,000</u>
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16. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Nine months period ended September 30, 2013				
	Corporate finance	Trading and sales	Commercial banking	Total
------(Rupees in '000)-----				
Total income - gross	15,889	605,506	521,313	1,142,708
Total markup / return / interest expense	-	250,519	132,330	382,849
Segment provision / (reversal) / impairment/ unrealised losses	-	(5,257)	47,160	41,903
	-	245,262	179,490	424,752
Net operating income	15,889	360,244	341,823	717,956
Administrative expenses and other charges				146,544
Profit before taxation				571,412
Segment assets	-	10,310,658	6,714,867	17,025,525
Segment impaired assets / non performing loans	-	18,595	1,348,132	1,366,727
Segment provision required and held	-	(14,389)	(671,752)	(686,141)
Segment liabilities	-	6,936,589	1,569,362	8,505,951
Segment return on assets (ROA)(%)	-	3.49%	5.09%	4.22%
Segment cost of funds(%)	-	3.61%	8.43%	4.50%
December 31, 2012				
	Corporate finance	Trading and sales	Commercial banking	Total
------(Rupees in '000)-----				
Total income - gross	21,950	957,110	680,372	1,659,432
Total markup / return / interest expense	-	481,899	196,203	678,102
Segment provision / (reversal) / impairment/ unrealised losses	-	(33,681)	140,634	106,953
	-	448,218	336,837	785,055
Net operating income	21,950	508,892	343,535	874,377
Administrative expenses and other charges				239,010
Profit before taxation				635,367
Segment assets	-	9,091,221	6,645,300	15,736,521
Segment non performing loans	-	25,306	1,522,324	1,547,630
Segment provision required and held	-	16,746	627,633	644,379
Segment liabilities	-	4,996,184	2,540,970	7,537,154
Segment return on assets (ROA)(%)	-	5.60%	5.17%	5.56%
Segment cost of funds(%)	-	9.65%	7.72%	9.00%

17. This includes penalty imposed by State Bank of Pakistan amounting to Rs. 13.210 million.

18. 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:

18.1 The Key Management Personnel / Directors compensation is as follows:

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
	-----{Rupees in '000}-----	
<b>Loans and advances to key management personnel</b>		
Balance at beginning of the period / year	107,051	18,299
Loans granted during the period / year	6,210	90,677
Repayments during the period / year	(8,906)	(1,925)
Balance at end of the period / year	<u>104,355</u>	<u>107,051</u>
<b>For nine months period ended</b>		
	September 30, 2013	September 30, 2012
	-----{Rupees in '000}-----	
Mark-up received on loans	<u>4,063</u>	<u>773</u>
Salaries and benefits	<u>56,101</u>	<u>47,200</u>
18.2 Contribution to defined contribution plan	<u>3,802</u>	<u>3,232</u>
	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
	-----{Rupees in '000}-----	
18.3 Receivable from Iran Foreign Investment Company (net)	<u>1,305</u>	<u>675</u>
18.4 Dividend payable to Iran Foreign Investment Company	<u>25,000</u>	<u>25,000</u>

19. DIVIDEND

Subsequent to the date of these Condensed Interim Financial Statements, the Board of Directors has announced an interim dividend of Rupees 100 million.

20. CREDIT RATING

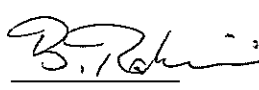
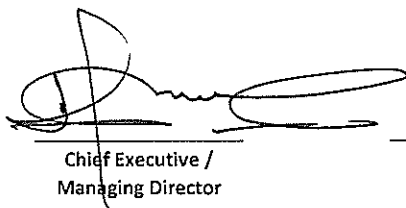

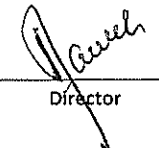
The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the long term entity rating to AA (Double A) and has maintained the short term rating at A1+ (A one plus) of the Company.

21. GENERAL

Figures have been rounded off to the nearest thousand rupees.

22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 21 NOV 2013 by the Board of Directors.

 _____ Chairman	 _____ Chief Executive / Managing Director	 _____ Director	 _____ Director
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