

**PAK OMAN INVESTMENT
COMPANY LIMITED**

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE FIRST QUARTER
ENDED 31 MARCH 2020**

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at 31 March 2020

(Unaudited) 31 March 2020 (US Dollar in '000)	(Audited) 31 December 2019		(Unaudited) 31 March 2020 (Rupees in '000)	(Audited) 31 December 2019
		Note		
ASSETS				
1,188	919		198,090	153,271
9,925	11,846	6	1,654,480	1,974,796
9,052	48,784	7	1,508,997	8,132,475
435,297	356,176	8	72,565,559	59,375,922
123,526	120,118	9	20,592,233	20,024,133
1,270	1,207	10	211,785	201,211
-	-	11	3	5
504	2,027	12	84,071	337,826
10,605	11,297	13	1,767,667	1,883,175
591,367	552,374	14	98,582,885	92,082,814
LIABILITIES				
-	-		-	-
469,322	441,988	15	78,237,677	73,681,026
60,311	51,447	16	10,054,102	8,576,392
3	4	17	541	610
-	-		-	-
-	-		-	-
9,944	8,826	18	1,657,666	1,471,325
539,580	502,265		89,949,986	83,729,353
51,787	50,109		8,632,899	8,353,461
NET ASSETS				
REPRESENTED BY				
36,892	36,892		6,150,000	6,150,000
7,777	7,591		1,296,389	1,265,504
4,299	970	19	716,586	161,727
2,819	4,656		469,924	776,230
51,787	50,109		8,632,899	8,353,461
CONTINGENCIES AND COMMITMENTS				
20				

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

**Managing Director/
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited)
For the first quarter ended 31 March 2020

31 March 2020 (US Dollar in '000)	31 March 2019		Note	31 March 2020 (Rupees in '000)	31 March 2019
16,795	6,863	Mark-up / Return / Interest Earned	21	2,799,848	1,144,170
15,066	5,306	Mark-up / Return / Interest Expensed	22	2,511,560	884,545
<u>1,729</u>	<u>1,557</u>	Net mark-up / interest income		<u>288,288</u>	<u>259,625</u>
NON MARK-UP / INTEREST INCOME					
54	52	Fee and commission income	23	9,030	8,688
-	-	Dividend income		-	-
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
504	71	Gain on securities	24	84,071	11,812
8	-	Other income	25	1,332	-
<u>566</u>	<u>123</u>	Total non mark-up / interest income		<u>94,433</u>	<u>20,500</u>
<u>2,295</u>	<u>1,680</u>	Total Income		<u>382,721</u>	<u>280,125</u>
NON MARK-UP / INTEREST EXPENSES					
909	852	Operating expenses	26	151,541	142,085
27	15	Workers Welfare Fund		4,476	2,544
46	29	Other charges	27	7,668	4,761
<u>982</u>	<u>896</u>	Total non mark-up / interest expenses		<u>163,685</u>	<u>149,390</u>
<u>1,313</u>	<u>784</u>	Profit Before Provisions		<u>219,036</u>	<u>130,735</u>
2	163	(Provisions)/reversals and write offs - net	28	295	27,231
-	-	Extra ordinary / unusual items		-	-
<u>1,315</u>	<u>947</u>	PROFIT BEFORE TAXATION		<u>219,331</u>	<u>157,966</u>
(389)	(267)	Taxation	29	(64,904)	(44,470)
<u>926</u>	<u>680</u>	PROFIT AFTER TAXATION		<u>154,427</u>	<u>113,496</u>
(US \$)		(Rupees)			
<u>0.0015</u>	<u>0.0011</u>	Basic and diluted earnings per share	30	<u>0.25</u>	<u>0.18</u>

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

**Managing Director/
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the first quarter ended 31 March 2020

31 March 2020 (US Dollar in '000)	31 March 2019		31 March 2020 (Rupees in '000)	31 March 2019
926	680	Profit after taxation for the period	154,427	113,496
		Other comprehensive income		
		Items that may be reclassified to profit and loss account in subsequent periods		
3,332	(22)	Movements in surplus / (deficit) on revaluation of investments - net of tax	555,511	(3,748)
		Items that will not be reclassified to profit and loss account in subsequent periods		
(4)	(4)	Movement in deficit on revaluation of non-banking assets- net of tax	(652)	(661)
(4)	(4)		(652)	(661)
<u>4,254</u>	<u>654</u>	Total comprehensive income	<u>709,286</u>	<u>109,087</u>

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

**Managing Director/
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Changes in Equity (Un-Audited)
For the first quarter ended 31 March 2020

	Share capital	(Reserves)		Surplus / (deficit) on		Unappropriated profit	Total
		Statutory reserve	General reserve	Investments	Non-banking assets		
(Rupees in '000)							
Opening balance as at 01 January 2019	6,150,000	1,153,013	11,630	(7,502)	46,927	788,870	8,142,938
Total comprehensive income							
Profit after taxation	-	-	-	-	-	113,496	113,496
Other comprehensive income / (loss) - net of tax	-	-	-	(3,748)	(661)	-	(4,409)
Total comprehensive income for the first quarter ended 31 March 2019	-	-	-	(3,748)	(661)	113,496	109,087
Transfer to statutory reserve	-	22,699	-	-	-	(22,699)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	661	661
Transaction with owners recorded directly in equity							
Final cash dividend - 31 December 2018 declared subsequent to the year end (Rs. 0.7 per share)	-	-	-	-	-	(430,500)	(430,500)
Opening balance as at 01 April 2019	6,150,000	1,175,712	11,630	(11,250)	46,266	449,828	7,822,186
Total comprehensive income							
Profit after taxation	-	-	-	-	-	390,808	390,808
Other comprehensive income / (loss) - net of tax	-	-	-	129,309	(2,598)	11,892	138,603
Total comprehensive income for the nine months ended 31 December 2019	-	-	-	129,309	(2,598)	402,700	529,411
Transfer to statutory reserve	-	78,162	-	-	-	(78,162)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	1,864	1,864
Opening balance as at 01 January 2020	6,150,000	1,253,874	11,630	118,059	43,668	776,230	8,353,461
Total comprehensive income							
Profit after taxation	-	-	-	-	-	154,427	154,427
Other comprehensive income / (loss) - net of tax	-	-	-	555,511	(652)	-	554,859
Total comprehensive income for the first quarter ended 31 March 2020	-	-	-	555,511	(652)	154,427	709,286
Transfer to statutory reserve	-	30,885	-	-	-	(30,885)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	652	652
Transaction with owners recorded directly in equity							
Final cash dividend - 31 December 2019 declared subsequent to the year end (Rs. 0.7 per share)	-	-	-	-	-	(430,500)	(430,500)
Closing balance as at 31 March 2020	6,150,000	1,284,759	11,630	673,570	43,016	469,924	8,632,899

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

Managing Director/
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited)
For the first quarter ended 31 March 2020

31 March 2020 (US Dollar in '000)	31 March 2019		31 March 2020 (Rupees in '000)	31 March 2019
		CASH FLOW FROM OPERATING ACTIVITIES		
1,315	947	Profit before taxation	219,331	157,966
-	-	Less: Dividend income	-	-
<u>1,315</u>	<u>947</u>		<u>219,331</u>	<u>157,966</u>
		Adjustments:		
60	63	Depreciation	9,930	10,421
37	37	Depreciation on right-of-use assets	6,105	6,105
-	1	Amortization	3	117
(2)	(163)	(Reversals) and write offs - net	(295)	(27,231)
(8)	-	Gain on sale of fixed assets	(1,332)	-
23	24	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	3,863	4,083
-	-	Finance charges on leased assets	37	51
(234)	(52)	Unrealised (gain) on revaluation of investments classified as held-for-trading	(39,055)	(8,617)
(124)	(90)		(20,744)	(15,071)
<u>1,191</u>	<u>857</u>		<u>198,587</u>	<u>142,895</u>
		(Increase) / Decrease in operating assets		
39,732	3,709	Lendings to financial institutions	6,623,478	618,278
52,859	79,714	Held-for-trading securities	8,811,756	13,288,564
(3,406)	(849)	Advances	(567,805)	(141,508)
1,440	(1,371)	Other assets (excluding advance taxation)	240,195	(228,439)
<u>90,625</u>	<u>81,203</u>		<u>15,107,624</u>	<u>13,536,895</u>
		Increase / (decrease) in operating liabilities		
-	-	Bills payable	-	-
27,334	(56,199)	Borrowings	4,556,651	(9,368,641)
8,864	(4,091)	Deposits	1,477,710	(681,946)
1,095	97	Other liabilities (excluding current taxation)	182,478	16,127
<u>37,293</u>	<u>(60,193)</u>		<u>6,216,839</u>	<u>(10,034,460)</u>
<u>129,109</u>	<u>21,867</u>		<u>21,523,050</u>	<u>3,645,330</u>
(1,004)	(596)	Income tax paid	(167,415)	(99,329)
<u>128,105</u>	<u>21,271</u>	Net cash flow generated from operating activities	<u>21,355,635</u>	<u>3,546,001</u>
		CASH FLOW FROM INVESTING ACTIVITIES		
(126,451)	(22,942)	Net investments in available-for-sale securities	(21,079,929)	(3,824,553)
(600)	-	Investment in subsidiary	(100,000)	-
-	-	Dividend received	-	-
(136)	(12)	Investments in operating fixed assets	(22,664)	(1,975)
12	-	Proceeds from sale of fixed assets	2,067	-
<u>(127,175)</u>	<u>(22,954)</u>	Net cash flow (used in) / generated from investing activities	<u>(21,200,526)</u>	<u>(3,826,528)</u>
		CASH FLOW FROM FINANCING ACTIVITIES		
(1)	(1)	Payments of lease obligations	(106)	(144)
(2,582)	-	Dividend paid	(430,500)	-
<u>(2,583)</u>	<u>(1)</u>	Net cash flow (used in) financing activities	<u>(430,606)</u>	<u>(144)</u>
<u>(1,653)</u>	<u>(1,684)</u>	(Decrease) in cash and cash equivalents	<u>(275,497)</u>	<u>(280,671)</u>
12,766	14,386	Cash and cash equivalents at beginning of the period	2,128,067	2,398,193
<u>11,113</u>	<u>12,702</u>	Cash and cash equivalents at end of the period	<u>1,852,570</u>	<u>2,117,522</u>

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

Managing Director/
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Pak Oman Investment Company Limited
Notes to the Unconsolidated Condensed Interim Financial Statements (Un-Audited)
For the first quarter ended 31 March 2020

1. STATUS AND NATURE OF BUSINESS

Pak Oman Investment Company Limited (the Company) was incorporated as a private limited company on 23 July 2001. Subsequently, on 17 March 2004 the Company was converted into a public company. The Company is a joint venture between the Government of Pakistan and the Government of the Sultanate of Oman. The Company's objectives inter alia include promotion of the economic growth of Pakistan and Oman through industrial development and agro-based industries on commercial basis and to carry on the business of finance and / or investment company. The registered office of the Company is situated at 1st Floor, Block A, Finance and Trade Centre, Shahr-e-Faisal, Karachi, Pakistan. The Company operates a branch at Lahore and other representative offices at Islamabad, Gwadar and Muscat. The Company is designated as a Development Financial Institution (DFI) under the BPD Circular Letter No. 35 dated 28 October 2003 issued by the State Bank of Pakistan.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34. These unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended 31 December 2019.

These unconsolidated condensed interim financial statements are separate financial statements of the Company in which the investments in subsidiary and associates are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees (equity method) which is done in the consolidated financial statements of the Company.

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

The US dollar amounts shown in the unconsolidated condensed interim statement of financial position, unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement are stated solely for information purposes. For this purpose the amounts in Pakistan rupees have been converted into US Dollars at a rate of Rs.166.7037 = 1 US dollar for the first quarter ended 31 March 2020 and the corresponding period.

The unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019.

2.2 Amendments to approved accounting standards that are effective in the current period

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.
- Amendments to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- IFRS 14 'Regulatory Deferral Accounts' permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous reporting framework, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and profit and loss account and statement of other comprehensive income, and specific disclosures are required. IFRS 14 was originally issued by IASB in January 2014 with Initial application date for a period beginning on or after 01 January 2016. During November 2019, the SECP modified the effective date for applicability of IFRS 14 for the annual reporting periods beginning on or after 01 July 2019.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

2.3 Standards, interpretations of and amendments to approved accounting standards that are not yet effective

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 July 2018 and 01 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. SBP has notified vide its BPRD Circular No. 04 of 2019 dated 23 October 2019 that the effective date of IFRS 9 for the banks/DFIs would be 01 January 2021. SBP has also directed the Banks/DFIs to conduct an impact assessment as at 31 December 2019 which is due to be submitted to SBP by 30 April 2020. A parallel run of IFRS 9 is also required to be performed by the banks/DFIs from 01 January 2020 to prepare for the smooth transition to the new standard. However, SBP has extended vide its BPRD Circular Letter No. 15 of 2020 dated 26 March 2020 the date of submission of impact assessment as at December 31, 2019 by 31 August 2020 and parallel run of IFRS 9 to be performed w.e.f. 01 July 2020.

Standard

IASB Effective date (annual periods beginning on or after)

IFRS 17 – Insurance Contracts

01 January 2021

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements for the

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the audited annual unconsolidated financial statements for the year ended 31 December 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the company are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended 31 December 2019.

	Note	(Un-audited) 31 March 2020 (Rupees in '000)	(Audited) 31 December 2019
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
local currency		316	256
foreign currency		221	221
		537	477
With State Bank of Pakistan in			
Local currency current account	6.1	197,118	151,637
With National Bank of Pakistan in			
Local currency current account		435	1,157
		<u>198,090</u>	<u>153,271</u>
6.1	This represent the amount required to be maintained by the Company in accordance with the SBP's Regulations.		
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		45,967	3,072
In deposit accounts	7.1	1,605,764	1,968,309
		1,651,731	1,971,381
Outside Pakistan:			
In current accounts		2,749	3,415
		<u>1,654,480</u>	<u>1,974,796</u>
7.1	These include term deposit receipts (TDRs) of Rs. 1,600 million (2019: Rs. 1,950 million) maturing between April 2020 to September 2020 (2019: January 2020 to June 2020). These carry mark-up rates ranging from 13.50% to 14.75% (2019: 14.50% to 14.75%) per annum.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Placements			
Certificates of investment		1,508,997	8,132,475
Repurchase agreement lendings (Reverse Repo)		1,508,997	8,132,475
		<u>1,508,997</u>	<u>8,132,475</u>

9 INVESTMENTS

31 March 2020 (Unaudited)				31 December 2019 (Audited)			
Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value

(Rupees in '000)

9.1 Investments by types

Held-for-trading securities

Federal Government securities	6,163,781	-	13,575	6,177,356	14,975,537	-	(25,480)	14,950,057
Shares	-	-	-	-	-	-	-	-
Non-Government debt securities	-	-	-	-	-	-	-	-
	6,163,781	-	13,575	6,177,356	14,975,537	-	(25,480)	14,950,057

Available-for-sale securities

Federal Government securities	60,309,292	-	982,539	61,291,831	39,217,557	-	199,422	39,416,979
Shares	346,266	(120,266)	-	226,000	346,266	(120,266)	-	226,000
Non-Government debt securities	3,951,549	(463,477)	(33,850)	3,454,222	3,963,355	(463,477)	(33,142)	3,466,736
	64,607,107	(583,743)	948,689	64,972,053	43,527,178	(583,743)	166,280	43,109,715

Associates

	1,045,951	(70,726)	-	975,225	1,045,951	(70,726)	-	975,225
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Subsidiary

	598,300	(157,375)	-	440,925	498,300	(157,375)	-	340,925
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Total Investments

	72,415,139	(811,844)	962,264	72,565,559	60,046,966	(811,844)	140,800	59,375,922
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9.1.1 Investments given as collateral

	31 March 2020 (Unaudited)				31 December 2019 (Audited)			
	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value
------(Rupees in '000)-----								
Federal Government Securities								
- Pakistan Investment Bonds	15,251,179	-	570,373	15,821,552	16,895,051	-	176,137	17,071,188
- Market treasury bills	46,440,189	-	245,574	46,685,763	32,635,824	-	(8,013)	32,627,811
	61,691,368	-	815,947	62,507,315	49,530,875	-	168,124	49,698,999
Shares								
- Listed companies	-	-	-	-	-	-	-	-
- Unlisted companies	226,000	-	-	226,000	226,000	-	-	226,000
	226,000	-	-	226,000	226,000	-	-	226,000
Associates								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Total investments	61,988,094	(70,726)	815,947	62,733,315	49,827,601	(70,726)	168,124	49,924,999

(Un-audited) (Audited)
First quarter ended Year ended
31 March 31 December
2020 2019
(Rupees in '000)

9.2 Provision for diminution in value of investments

9.2.1 Opening balance

Charges / reversals

Charge for the year
Reversals for the year

Transfers - net
Amounts written off
Closing balance

	811,844	817,157
	-	-
	-	(5,313)
	-	(5,313)
	-	-
	-	-
	<u>811,844</u>	<u>811,844</u>

9.2.2 Particulars of provision against debt securities

Category of classification**Domestic**

Other assets especially mentioned
Substandard
Doubtful
Loss

Total

	31 March 2020 (Unaudited)		31 December 2019 (Audited)	
	NPI	Provision	NPI	Provision
------(Rupees in '000)-----				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	483,926	463,477	483,926	463,477
	483,926	463,477	483,926	463,477

10 ADVANCES

	Performing		Non-performing		Total	
	31-Mar-20 (Rupees in '000)	31-Dec-19	31-Mar-20 (Rupees in '000)	31-Dec-19	31-Mar-20 (Rupees in '000)	31-Dec-19
Loans, cash credits, running finances, etc.	20,394,898	19,619,927	678,034	678,329	21,072,932	20,298,256
Margin trading	70,875	277,746	-	-	70,875	277,746
Advances - Gross	20,465,773	19,897,673	678,034	678,329	21,143,807	20,576,002
Provision against advances						
Specific	-	-	551,361	551,656	551,361	551,656
General	213	213	-	-	213	213
	213	213	551,361	551,656	551,574	551,869
Advances - net of provision	20,465,560	19,897,460	126,673	126,673	20,592,233	20,024,133

31-Mar-20 **31-Dec-19**
(Rupees in '000)

10.1 Particulars of advances (Gross)

In local currency	21,143,807	20,576,002
In foreign currencies	-	-
	<u>21,143,807</u>	<u>20,576,002</u>

10.2 Advances include Rs. 678 million (2019: Rs 678 million) which have been placed under the non-performing status as detailed below:

Category of Classification

	31 March 2020 (Unaudited)		31 December 2019 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	180,000	90,000	182,104	90,000
Loss	498,034	461,361	496,225	461,656
	<u>678,034</u>	<u>551,361</u>	<u>678,329</u>	<u>551,656</u>

10.3 Particulars of provision against advances

	First quarter ended 31 March 2020 (Unaudited)			Year ended 31 December 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	551,656	213	551,869	580,479	213	580,692
Charge for the year	-	-	-	1,039	-	1,039
Reversals	(295)	-	(295)	(29,862)	-	(29,862)
	(295)	-	(295)	(28,823)	-	(28,823)
Amounts written off	-	-	-	-	-	-
Closing balance	<u>551,361</u>	<u>213</u>	<u>551,574</u>	<u>551,656</u>	<u>213</u>	<u>551,869</u>

10.4 In accordance with BPRD Circular No. 6 dated 26 June 2014 issued by the SBP, the Company has availed the benefit of FSV against the non-performing advances. As of 31 March 2020, the Company has availed total accumulated FSV benefit amounting to Rs. 15.8 million (net of tax Rs. 11.2 million). Accordingly, accumulated profit of Rs.11.2 million (net of transfer to statutory reserves Rs. 9 million) will not be available for the distribution as cash or stock dividend to the shareholders / bonus to employees of the Company as required by the aforementioned SBP directives.

	Note	(Un-audited) 31 March 2020 ----- (Rupees in '000) -----	(Audited) 31 December 2019
11 FIXED ASSETS			
Right of use assets		120,106	125,488
Property and equipments		91,679	75,723
		<u>211,785</u>	<u>201,211</u>
12 INTANGIBLE ASSETS			
Computer Software		3	5
		<u>3</u>	<u>5</u>
13 DEFERRED TAX ASSETS			
Deductible Temporary Differences on			
Provision for diminution in the value of investments		214,924	214,924
Assets subject to finance leases		81	72
Amortisation of premium on Federal Government Securities		214	(89)
Provision against non-performing advances		159,956	160,042
Revaluation on investments classified as available-for-sale		(275,119)	(48,221)
Alternative Corporate tax		41,423	-
Revaluation on investments classified as held-for-trading		(3,937)	7,389
Net investment in finance leases		(58,451)	1,659
		<u>79,091</u>	<u>335,776</u>
Taxable Temporary Differences on			
Accelerated tax depreciation allowances		7,269	5,697
Revaluation on Non-banking assets		(2,289)	(3,647)
Dividend receivable		-	-
		<u>4,980</u>	<u>2,050</u>
		<u>84,071</u>	<u>337,826</u>
14 OTHER ASSETS			
Income/ Mark-up accrued in local currency - net of provision		1,144,080	1,073,195
Mark-up / profit receivable on purchase of securities		7,513	314,240
Security deposits		4,288	4,288
Prepayments		8,030	9,567
Taxation		281,998	152,630
Non-banking assets acquired in satisfaction of claims		248,411	252,174
Staff Gratuity		11,053	15,447
Others		1,708	130
		<u>1,707,081</u>	<u>1,821,671</u>
Less: Provision held against other assets		-	-
Other assets (net of provisions)		<u>1,707,081</u>	<u>1,821,671</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		60,586	61,504
		<u>1,767,667</u>	<u>1,883,175</u>

	(Un-Audited) 31 March 2020 (Rupees in '000)	(Audited) 31 December 2019
15 BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan:		
- Long term financing facility (LTFF)	2,544,489	2,612,588
Repurchase agreement borrowings	44,186,091	48,861,903
Long term borrowings	5,608,880	5,208,880
Short term running finance	-	515,324
Bai Muajjal	7,736,627	8,208,161
Total secured	60,076,087	65,406,856
Unsecured		
Placements	132,000	2,285,013
Murabaha financing	18,029,590	5,989,157
Total unsecured	18,161,590	8,274,170
	78,237,677	73,681,026

16 DEPOSITS AND OTHER ACCOUNTS

	31 March 2020 (Unaudited)		31 December 2019 (Audited)	
	In local currency	Total	In local currency	Total
	----- (Rupees in '000) -----			
Certificates of investment				
Financial institutions	2,012,000	2,012,000	12,000	12,000
Others	8,042,102	8,042,102	8,564,392	8,564,392
	10,054,102	10,054,102	8,576,392	8,576,392

17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	31 March 2020 (Unaudited)			31 December 2019 (Audited)		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
	----- (Rupees in '000) -----					
Not later than one year	556	15	541	628	18	610
Later than one year and upto five years	-	-	-	-	-	-
	556	15	541	628	18	610

17.1 The Company has entered into lease agreement with financial institution for lease of vehicle. Lease rentals are payable in monthly installments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate of 7.90% (2019: 7.90%) per annum. At the end of lease term, the Company has option to acquire the assets, subject to adjustment of security deposits.

	Note	(Un-Audited) 31 March 2020	(Audited) 31 December 2019
18 OTHER LIABILITIES			
		(Rupees in '000)	
Mark-up/ Return/ Interest payable in local currency		1,008,823	800,475
Accrued expenses		179,448	224,816
Security deposits against investment in finance leases		171,865	253,411
Lease liability against right-of-use assets		129,570	133,914
Withholding tax and sales tax payable		28,572	3,778
Others		139,388	54,931
		<u>1,657,666</u>	<u>1,471,325</u>
19 SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Available for sale securities		948,689	166,280
- Non-banking assets acquired in satisfaction of claims		60,586	61,504
		1,009,275	227,784
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		(275,119)	(48,221)
- Non-banking assets acquired in satisfaction of claims		(17,570)	(17,836)
		(292,689)	(66,057)
		<u>716,586</u>	<u>161,727</u>
20 CONTINGENCIES AND COMMITMENTS			
Transaction related contingent liability:			
Standby letter of credit		525,362	532,162
Pledge of shares on behalf of Japan Power Generation Limited	20.1	70,726	70,726
Pledge of shares on behalf of Orient Power Company (Private) Limited	20.2	226,000	226,000
Commitments for:			
Purchase of Government securities		15,254,111	11,774,285
Sale of Government securities		16,680,563	2,925,786
Commitments for advances and net investment in finance leases		1,120,750	1,066,750
Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited a wholly owned subsidiary	20.3	45,000	136,000
20.1	Shares in Japan Power Generation Limited (JPGL) (an associate) aggregating 17,622,878 having a cost of Rs. 70.726 million (2019: Rs. 70.726 million) are pledged as security on behalf of that associate company against a syndicate finance facility obtained by it (the associate company).		
20.2	Investment in unlisted shares in Orient Power Company (Private) Limited (related party) aggregating 22,600,000 having a cost of Rs. 226 million are pledged as security against a syndicate finance facility obtained by Orient Power Company (Private) Limited.		
20.3	PIBs having face value amounting to Rs. 45 million (2019: Rs 136 million) which have been collateralized against a loan sanctioned to Pak Oman Asset Management Company Limited from Habib Bank Limited for the acquisition of Askari Investment Management Limited (AIML).		

		(Un-Audited)	
		First quarter ended	
Note		31 March 2020	31 March 2019
21	MARK-UP / RETURN / INTEREST EARNED	(Rupees in '000)	
	On:		
	a) Loans and advances	680,084	546,636
	b) Investments	1,979,333	441,331
	c) Lendings to financial institutions	76,966	111,015
	d) Balances with banks	63,465	45,188
		2,799,848	1,144,170
22	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	294,986	187,295
	b) Borrowings	2,212,711	693,167
	c) Lease liability against right-of-use assets	3,863	4,083
		2,511,560	884,545
23	FEE AND COMMISSION INCOME		
	Credit related fees	4,633	6,049
	Investment banking fees	3,000	-
	Commission on guarantees	1,397	917
	Underwriting commission of Government securities auction	-	1,722
		9,030	8,688
24	GAIN ON SECURITIES		
	Realised	45,016	3,195
	Unrealised - held for trading	39,055	8,617
		84,071	11,812
24.1	Realised gain/(loss) on:		
	Federal Government Securities	39,685	2,385
	Non Government debt securities	5,331	810
		45,016	3,195
25	OTHER INCOME		
	Gain on sale of fixed assets - net	1,332	-
		1,332	-

26 OPERATING EXPENSES

(Un-Audited)
First quarter ended
31 March 2020 31 March 2019

(Rupees in '000)

Total compensation expense	108,896	105,089
Property expense		
Rent & taxes	223	188
Utilities cost	738	502
Security (including guards)	152	151
Repair & maintenance (including janitorial charges)	2,095	1,732
Depreciation on right-of-use assets	6,105	6,105
Depreciation	527	527
	9,840	9,205
Information technology expenses		
Software maintenance	211	271
Hardware maintenance	317	-
Depreciation	290	268
Amortisation	3	117
Network charges	607	224
Others	285	77
	1,713	957
Other operating expenses		
Directors' fees and allowances	6,814	6,002
Legal & professional charges	1,227	1,333
Travelling & conveyance	4,213	2,265
Depreciation	9,113	9,626
Training & development	84	62
Postage & courier charges	247	76
Communication	1,660	1,308
Stationery & printing	324	362
Marketing, advertisement & publicity	283	241
Donations	300	300
Auditors' remuneration	434	358
Membership and subscriptions	442	311
Transportation	2,253	1,961
Insurance	765	515
Finance charges on leased assets	37	51
Entertainment and canteen expenses	1,409	1,162
Others	1,487	901
	31,092	26,834
Total operating expenses	151,541	142,085

		(Un-Audited)	
		First quarter ended	
		31 March 2020	31 March 2019
		(Rupees in '000)	
27	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	-	-
	Fees, commission and others	7,668	4,761
		7,668	4,761
28	(PROVISIONS) / REVERSALS & WRITE OFFS - NET		
	Reversals of provisions for diminution in value of investments	-	(4,246)
	Reversals of provisions against loans & advances	(295)	(22,985)
		(295)	(27,231)
29	TAXATION		
	Current	38,047	34,475
	Prior years	-	-
	Deferred	26,857	9,995
		64,904	44,470
29.1	Tax contingencies		
	<p>The Income tax Department has amended the deemed assessment orders for the tax years 2004, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, wherein major issues raised by the authorities were related to applicability of Workers Welfare Fund (WWF), disallowance of allocation of common expenses and disallowance of losses claimed on early termination of leased assets. The Company's appeals are pending at various appellate forums. For the tax year 2005 and 2008, the Commissioner Inland Revenue (Appeals) [CIR(A)] has adjudicated that the proceeding initiated by the department under section 122(5A) for respective tax years were barred in time, thereby, the amended assessment order has been annulled. Thereafter, the department being aggravated by the CIR(A) decision, filed appeal before the Appellate Tribunal Inland Revenue for the respective tax years. Further, for the matter of WWF, Supreme Court (SC) in its recent decision has annulled the amendments made through Finance Act 2006 and 2008. However, Federal Board of Revenue (FBR) has now filed review petition in the SC against the SC decision in the matter of WWF. Management estimates that sufficient provisions have been made and no further provision is required.</p>		
30	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation	Rupees in '000	154,427 113,496
	Weighted average number of ordinary shares in issue	Numbers in '000	615,000 615,000
	Basic and diluted earnings per share	Rupees	0.25 0.18
30.1	Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue.		
31	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	198,090	159,062
	Balances with other banks	1,654,480	1,958,460
	Placements	-	-
		1,852,570	2,117,522

32 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

32.1 Fair Value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

In the opinion of management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently repriced.

32.2 The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On balance sheet financial instruments	31 March 2020 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	67,469,187	-	67,469,187
Non-Government Debt Securities	-	3,454,222	-	3,454,222
Mutual funds	642,607	-	-	642,607
Financial assets - disclosed but not measured at fair value				
Investments	-	-	1,051,633	1,051,633
On balance sheet financial instruments	31 December 2019 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	54,367,036	-	54,367,036
Non-Government Debt Securities	-	3,466,736	-	3,466,736
Mutual funds	640,864	-	-	640,864
Financial assets - disclosed but not measured at fair value				
Investments	-	-	951,633	951,633

33 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	First quarter ended 31 March 2020 (Unaudited)			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Profit & Loss				
Net mark-up/return/profit	138,691	(47,781)	197,378	288,288
Non mark-up / return / interest income	6,030	3,000	85,403	94,433
Total Income	144,721	(44,781)	282,781	382,721
Segment direct expenses	86,039	12,292	65,354	163,685
Reversals	(295)	-	-	(295)
Profit before tax	58,977	(57,073)	217,427	219,331
Balance Sheet				
Cash & Bank balances	-	-	1,852,570	1,852,570
Investments	-	1,642,150	70,923,409	72,565,559
Lendings to financial institutions	-	-	1,508,997	1,508,997
Advances - performing	20,394,685	-	70,875	20,465,560
non- performing	126,673	-	-	126,673
Others	900,795	396,839	765,892	2,063,526
Total Assets	21,422,153	2,038,989	75,121,743	98,582,885
Borrowings	17,423,023	1,607,040	59,207,614	78,237,677
Subordinated debt	-	-	-	-
Deposits & other accounts	2,184,766	207,949	7,661,387	10,054,102
Others	494,849	30,742	1,132,616	1,658,207
Total liabilities	20,102,638	1,845,731	68,001,617	89,949,986
Equity	1,319,515	193,258	7,120,126	8,632,899
Total Equity & liabilities	21,422,153	2,038,989	75,121,743	98,582,885
Contingencies & Commitments	1,646,112	341,726	31,934,674	33,922,512
	----- (Rupees in '000) -----			
	First quarter ended 31 March 2019 (Unaudited)			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Profit & Loss				
Net mark-up/return/profit	158,105	(18,510)	120,030	259,625
Non mark-up / return / interest income	6,966	-	13,534	20,500
Total Income	165,071	(18,510)	133,564	280,125
Segment direct expenses	82,980	23,802	42,608	149,390
(Reversals) / Provisions	(22,985)	(4,246)	-	(27,231)
Profit before tax	105,076	(38,066)	90,956	157,966
	----- (Rupees in '000) -----			
	Year ended 31 December 2019 (Audited)			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Balance Sheet				
Cash & Bank balances	-	-	2,128,067	2,128,067
Investments	-	3,675,713	55,700,209	59,375,922
Lendings to financial institutions	-	-	8,132,475	8,132,475
Advances - performing	19,619,714	-	277,746	19,897,460
- non-performing	126,673	-	-	126,673
Others	827,947	550,481	1,043,789	2,422,217
Total Assets	20,574,334	4,226,194	67,282,286	92,082,814
Borrowings	16,880,052	3,356,972	53,444,002	73,681,026
Subordinated debt	-	-	-	-
Deposits & other accounts	1,916,249	393,618	6,266,525	8,576,392
Others	525,669	55,925	890,341	1,471,935
Total liabilities	19,321,970	3,806,515	60,600,868	83,729,353
Equity	1,252,364	419,679	6,681,418	8,353,461
Total Equity & liabilities	20,574,334	4,226,194	67,282,286	92,082,814
Contingencies & Commitments	1,598,912	432,726	14,700,071	16,731,709

34 RELATED PARTY TRANSACTIONS

The Company has related party relationship with various parties, including its directors, key management personnel (including their associates), associates, subsidiary company, employee benefit plans, and company having common directors. The details of investments in subsidiary company and associates are stated in note 9 to these financial statements.

Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation / terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Advances are given to employees as per the Company's Policy. Transactions with other related parties are carried out on commercial terms and as per market rates.

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

34.1 Subsidiary

Pak Oman Asset Management Company Limited

34.2 Associates

Japan Power Generation Limited
Pak Oman Microfinance Bank Limited
Pak Oman Advantage Islamic Income Fund
Pak Oman Islamic Asset Allocation Fund
Pak Oman Advantage Asset Allocation Fund
Pak Oman Government Securities Fund

34.3 Retirement benefit fund

Defined benefit plan
Defined contribution plan

34.4 Other related party

Orient Power Company (Private) Limited
Ismail Industries Limited
K- Electric
Oman LNG, Sultanate of Oman
Diamond Textile Mills (Pvt.) Limited
Civil Aviation Authority
Pakistan LNG Limited
Public Private Partnership Authority

34.5 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	First quarter ended 31 March 2020 (Unaudited)						Year ended 31 December 2019 (Audited)					
	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties
	(Rupees in '000)											
Investments												
Opening balance	-	-	498,300	1,045,951	-	726,000	-	-	498,300	1,045,951	-	226,000
Investment made during the year	-	-	100,000	-	-	-	-	-	-	-	-	500,000
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	598,300	1,045,951	-	726,000	-	-	498,300	1,045,951	-	726,000
Provision for diminution in value of investments	-	-	157,375	70,726	-	-	-	-	157,375	70,726	-	-
Advances												
Opening balance	-	38,487	-	68,200	-	565,459	-	43,626	-	68,200	-	72,916
Addition during the year	-	5,247	-	-	-	-	-	15,400	-	-	-	539,566
Repaid during the year	-	(4,751)	-	-	-	(27,737)	-	(20,539)	-	-	-	(47,023)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	38,983	-	68,200	-	537,722	-	38,487	-	68,200	-	565,459
Provision held against advances	-	-	-	68,200	-	-	-	-	-	68,200	-	-
	(Rupees in '000)											
Other Assets												
Interest / mark-up accrued	-	-	-	-	-	4,898	-	-	-	-	-	3,241
Receivable from staff retirement fund	-	-	-	-	11,053	-	-	-	-	-	15,447	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-
Provision against other assets	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	-	4,082	-	-	-	-	-	909	-	-	5,492	-
Received during the year	-	21,862	-	-	8,326	-	-	64,629	-	-	102,997	-
Withdrawn during the year	-	(12,878)	-	-	(2,398)	-	-	(61,456)	-	-	(108,489)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	13,066	-	-	5,928	-	-	4,082	-	-	-	-
Other Liabilities												
Interest / mark-up payable	-	80	-	-	35	-	-	33	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Outright sale of Securities	-	-	-	555,161	389,507	-	-	-	14,537	1,385,342	909,630	-
Outright purchase of Securities	-	-	-	307,531	389,618	-	-	-	69,576	243,315	720,365	-
Contingencies and Commitments												
Other contingencies	-	-	45,000	70,726	-	226,000	-	-	136,000	70,726	-	226,000

34.6 Related party transactions

	First quarter ended 31 March 2020 (Unaudited)					First quarter ended 31 March 2019 (Unaudited)					
	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds
----- (Rupees in '000) -----											
Income											
Mark-up / return / interest earned	-	412	-	-	-	28,891	-	549	-	-	2,195
Fee and commission income	-	-	-	-	-	2,500	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	-	59	5	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Expense											
Mark-up / return / interest paid	-	226	-	-	60	-	-	105	-	-	287
Operating expenses	-	-	-	-	-	-	-	-	-	-	-
Non- Executive Directors' fees and allowances	6,814	-	-	-	-	-	6,002	-	-	-	-
Compensation expenses	-	101,675	-	-	-	-	-	98,710	-	-	-
Contribution to defined contribution plan	-	-	-	-	3,910	-	-	-	-	4,319	-
Charge for defined benefit plan	-	-	-	-	4,574	-	-	-	-	3,598	-

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-Audited) 31 March 2020	(Audited) 31 December 2019
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>6,150,000</u>	<u>6,150,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>6,127,033</u>	5,907,186
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>6,127,033</u>	5,907,186
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>6,127,033</u>	5,907,186
Risk Weighted Assets (RWAs):		
Credit Risk	<u>30,920,186</u>	27,604,147
Market Risk	<u>9,381,354</u>	8,301,000
Operational Risk	<u>2,039,196</u>	2,039,196
Total	<u>42,340,736</u>	37,944,343
Common Equity Tier 1 Capital Adequacy ratio	<u>14.47%</u>	15.57%
Tier 1 Capital Adequacy Ratio	<u>14.47%</u>	15.57%
Total Capital Adequacy Ratio	<u>14.47%</u>	15.57%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>6,127,033</u>	5,907,186
Total Exposures	<u>110,138,037</u>	91,226,753
Leverage Ratio	<u>5.56%</u>	6.48%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>6,516,095</u>	6,227,965
Total Net Cash Outflow	<u>13,449,728</u>	9,139,548
Liquidity Coverage Ratio	<u>48.45%</u>	68.14%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>22,189,076</u>	21,887,939
Total Required Stable Funding	<u>20,979,702</u>	21,507,690
Net Stable Funding Ratio	<u>105.76%</u>	101.77%

36 CREDIT RATING

The VIS Credit Rating Company Limited has maintained the Company's rating of AA+ (Double A Plus) in the long term and A-1+ (A One Plus) for the short term.

37. GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

38. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on April 09, 2020 by the Board of Directors of the Company.

**Managing Director/
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman