

**PAK OMAN INVESTMENT
COMPANY LIMITED**

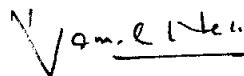
**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE FIRST QUARTER
ENDED 31 MARCH 2019**

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at 31 March 2019

(Unaudited) 31 March 2019 (US Dollar in '000)	(Audited) 31 December 2018		(Unaudited) 31 March 2019 (Rupees in '000)	(Audited) 31 December 2018
		<i>Note</i>		
ASSETS				
1,130	871		159,062	122,604
13,911	16,164	6	1,958,460	2,275,589
34,209	38,601	7	4,816,018	5,434,296
134,798	201,969	8	18,977,003	28,433,357
146,648	145,480	9	20,645,195	20,480,702
1,656	680	10	233,091	95,732
2	3	11	320	437
3,061	3,121	12	430,902	439,439
7,610	5,885	13	1,071,133	828,316
343,025	412,774	14	48,291,184	58,110,472
LIABILITIES				
-	-		-	-
217,310	283,858	6	30,593,004	39,961,645
59,160	64,004	7	8,328,544	9,010,490
6	7	8	899	992
-	-	9	-	-
-	-	10	-	-
10,986	7,063	11	1,546,551	994,407
287,462	354,932	12	40,468,998	49,967,534
55,563	57,842	13	7,822,186	8,142,938
NET ASSETS				
REPRESENTED BY				
43,685	43,685		6,150,000	6,150,000
8,434	8,273	14	1,187,342	1,164,643
249	280	15	35,016	39,425
3,195	5,604	16	449,828	788,870
55,563	57,842	17	7,822,186	8,142,938
CONTINGENCIES AND COMMITMENTS				
		21		

The annexed notes from 1 to 39 form an integral part of this unconsolidated condensed interim financial statements.



Chief Financial Officer



Managing Director
and Chief Executive



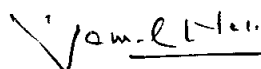
Managing Director
and Chief Executive


Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited)
For the first quarter ended 31 March 2019

31 March 2019 (US Dollar in '000)	31 March 2018 (US Dollar in '000)		Note	31 March 2019 (Rupees in '000)	31 March 2018 (Rupees in '000)
8,127	5,603	Mark-up / Return / Interest Earned	22	1,144,170	788,820
6,283	4,220	Mark-up / Return / Interest Expensed	23	884,545	594,052
1,844	1,383	Net mark-up / Interest income		259,625	194,768
NON MARK-UP / INTEREST INCOME					
62	153	Fee and commission income	24	8,688	21,488
-	6	Dividend income		-	797
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
84	53	Gain on securities	25	11,812	7,479
-	131	Other income	26	-	18,398
146	343	Total non mark-up / interest income		20,500	48,162
1,990	1,726	Total Income		280,125	242,930
NON MARK-UP / INTEREST EXPENSES					
1,009	1,035	Operating expenses	27	142,085	145,718
18	17	Workers Welfare Fund		2,544	2,423
34	43	Other charges	28	4,761	6,066
1,061	1,095	Total non mark-up / interest expenses		149,390	154,207
929	631	Profit Before Provisions		130,735	88,723
193	853	Reversals and write offs - net	29	27,231	120,070
-	-	Extra ordinary / unusual items		-	-
1,122	1,484	PROFIT BEFORE TAXATION		157,966	208,793
(316)	(448)	Taxation	30	(44,470)	(63,107)
806	1,036	PROFIT AFTER TAXATION		113,496	145,686
(US \$)				(Rupees)	
0.0013	0.0017	Basic and diluted earnings per share	31	0.18	0.24

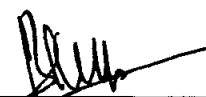
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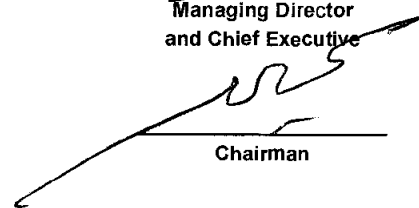
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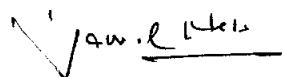


Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the first quarter ended 31 March 2019

31 March 2019 (US Dollar in '000)	31 March 2018		31 March 2019 (Rupees in '000)	31 March 2018
806	1,036	Profit after taxation for the year	113,496	145,686
		Other comprehensive income		
		Items that may be reclassified to profit and loss account in subsequent periods:		
(27)	98	Movements in deficit on revaluation of investments - net of tax	(3,748)	13,776
		Items that will not be reclassified to profit and loss account in subsequent periods:		
(5)	(56)	Movement in deficit on revaluation of non-banking assets- net of tax	(661)	(7,829)
(5)	(56)		(661)	(7,829)
<u>774</u>	<u>1,078</u>	Total comprehensive income	<u>109,087</u>	<u>151,633</u>

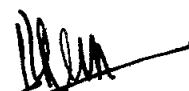
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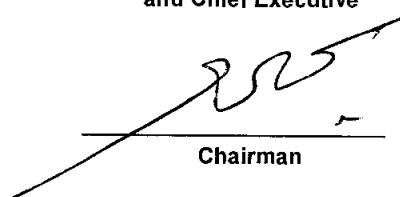
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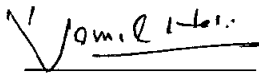



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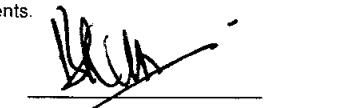
Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited)
For the first quarter ended 31 March 2019


31 March 2019 (US Dollar in '000)	31 March 2018		Note	31 March 2019 (Rupees in '000)	31 March 2018
1,122	1,484	CASH FLOW FROM OPERATING ACTIVITIES		157,966	208,793
-	(6)	Profit before taxation		-	(797)
<u>1,122</u>	<u>1,478</u>	Less: Dividend income		<u>157,966</u>	<u>207,996</u>
		Adjustments:			
74	83	Depreciation		10,421	11,700
43	-	Depreciation on right-of-use assets		6,105	-
1	1	Amortization		117	117
(193)	(853)	(Reversals) and write offs - net	29	(27,231)	(120,070)
-	(7)	Gain on sale of fixed assets		-	(1,017)
29	-	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		4,083	-
-	-	Finance charges on leased assets		51	15
(61)	16	Unrealised gain / (loss) on revaluation of investments classified as held-for-trading		(8,617)	2,205
<u>(107)</u>	<u>(760)</u>			<u>(15,071)</u>	<u>(107,050)</u>
1,015	718			142,895	100,946
		(Increase) / Decrease in operating assets			
4,392	(19,006)	Lendings to financial institutions		618,278	(2,675,717)
94,392	144,552	Held-for-trading securities		13,288,564	20,350,053
(1,005)	(21,216)	Advances		(141,508)	(2,986,806)
(1,623)	360	Other assets (excluding advance taxation)		(228,439)	50,806
96,156	104,690			13,536,895	14,738,336
		Increase / (decrease) in operating liabilities			
-	-	Bills payable		-	-
(66,548)	(186,782)	Borrowings		(9,368,641)	(26,295,305)
(4,844)	(2,168)	Deposits		(681,946)	(305,252)
184	(4,048)	Other liabilities (excluding current taxation)		25,878	(569,610)
<u>(71,208)</u>	<u>(192,998)</u>			<u>(10,024,709)</u>	<u>(27,170,167)</u>
25,963	(87,590)			3,655,081	(12,330,885)
(706)	(559)	Income tax paid		(99,329)	(78,752)
<u>25,257</u>	<u>(88,149)</u>	Net cash flow generated from / (used in) operating activities		<u>3,555,752</u>	<u>(12,409,637)</u>
		CASH FLOW FROM INVESTING ACTIVITIES			
(27,167)	85,179	Net investments in available-for-sale securities		(3,824,553)	11,991,551
0	3	Dividend received		-	367
(14)	(4)	Investments in operating fixed assets		(1,975)	(576)
-	25	Proceeds from sale of fixed assets		-	3,570
<u>(27,181)</u>	<u>85,203</u>	Net cash flow (used in) / generated from investing activities		<u>(3,826,528)</u>	<u>11,994,912</u>
		CASH FLOW FROM FINANCING ACTIVITIES			
(1)	(1)	Payments of lease obligations		(144)	(73)
(69)	-	Payments of lease liability against right-of-use assets		(9,751)	-
-	-	Dividend paid		-	-
<u>(70)</u>	<u>(1)</u>	Net cash flow (used in) financing activities		<u>(9,895)</u>	<u>(73)</u>
(1,994)	(2,947)	(Decrease) in cash and cash equivalents		(280,671)	(414,798)
17,035	15,501	Cash and cash equivalents at beginning of the period		2,398,193	2,182,200
<u>15,041</u>	<u>12,554</u>	Cash and cash equivalents at end of the period	32	<u>2,117,522</u>	<u>1,767,402</u>

The annexed notes from 1 to 39 form an integral part of this unconsolidated condensed interim financial statements.


Chief Financial Officer


Managing Director
and Chief Executive

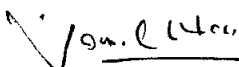

Managing Director
and Chief Executive


Chairman


Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Changes in Equity (Un-Audited)
For the first quarter ended 31 March 2019

	Share capital	(Reserves)		Surplus / (deficit) on revaluation of		Unappropriated profit	Total
		Statutory reserve	General reserve	Investments	Non-banking assets		
(Rupees in '000)							
Opening balance as at 01 January 2018	6,150,000	1,060,131	11,630	8,160	55,380	838,056	8,123,357
Total comprehensive income							
Profit after taxation	-	-	-	-	-	145,686	145,686
Other comprehensive loss - net of tax	-	-	-	13,776	(7,829)	-	5,947
Total comprehensive income for the first quarter ended 31 March 2018	-	-	-	13,776	(7,829)	145,686	151,633
Transfer to statutory reserve	-	29,137	-	-	-	(29,137)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	706	706
Transaction with owners recorded directly in equity							
Final cash dividend - 31 December 2017 declared subsequent to the year end (Rs. 0.7 per share)	-	-	-	-	-	(430,500)	(430,500)
Opening balance as 01 April 2018	6,150,000	1,089,268	11,630	21,936	47,551	524,811	7,845,196
Total comprehensive income							
Profit after taxation	-	-	-	-	-	318,724	318,724
Other comprehensive loss - net of tax	-	-	-	(29,438)	(624)	6,984	(23,078)
Total comprehensive income for the nine months ended 31 December 2018	-	-	-	(29,438)	(624)	325,708	295,646
Transfer to statutory reserve	-	63,745	-	-	-	(63,745)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	2,096	2,096
Opening balance as 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 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)
Closing balance as at 31 March 2019	6,150,000	1,175,712	11,630	(11,250)	46,266	449,828	7,822,186

The annexed notes from 1 to 39 form an integral part of this unconsolidated condensed interim financial statements.


Chief Financial Officer


Managing Director
and Chief Executive


Managing Director
and Chief Executive


Chairman

Pak Oman Investment Company Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the first quarter ended 31 March 2019

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, Shahrah-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 PRESENTATION

2.1 Separate financial statements

These unconsolidated condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular letter No. 05 dated 22 March 2019 effective from the accounting year starting from 01 January 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.

2.2 US Dollar equivalent

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.140.7806 = 1 US dollar for the first quarter ended 31 March 2019 and the corresponding period.

2.3 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards IFRS issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Act, 2017 and directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirements of the Banking Companies Ordinance, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

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 2018.

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

During the period IFRS 16, the accounting standard for leases, became applicable for the company. The impact of the adoption of IFRS 16 on the company's condensed interim financial statements is disclosed in note 3.2 below.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2019 but are considered not to be relevant or do not have any significant impact on the Company's unconsolidated condensed interim financial statements.

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

During the period, SECP vide S.R.O 229 (I)/2019 dated February 14, 2019, has deferred the applicability of IFRS 9 'Financial Instrument' for reporting period/year ending on or after June 30, 2019 for all companies. Further, the Company considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non performing loans and advances, the implementation of IFRS 9 may require changes in the regulatory regime. Therefore, the Company expects that the SBP would issue suitable guidance and instruction on the application of IFRS 9 for the financial sector of Pakistan. The company is in the process of assessing the full impact of this standard.

There are other certain standards, amendments and interpretations with respect to the approved accounting standards that are not yet effective and are not expected to have material impact on the company's financial statements in the period of their initial application.

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 year ended December 31, 2018 except as disclosed in note 3.2.

3.1 Change in reporting format

The SBP vide BPRD Circular Letter No.5 dated March 22, 2019 specified the new reporting format for the quarterly and half yearly financial statements of Banks/ DFIs. The new format has revised the disclosure requirements of the Banks/DFIs for the quarter ended 31 March 2019 which has resulted in certain additional disclosures and reclassifications of the items in these unconsolidated condensed interim financial statements.

3.2 Impact of IFRS 16- Leases

The Company has adopted IFRS 16 from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the company recognized lease liabilities in relation to leases, which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The uniform borrowing rate applied to the lease liabilities on 1 January 2019.

The change in accounting policy affected the following items in the balance sheet on 31 March 2019:

- Right-of-Use (RoU) assets recognized as fixed assets – increase by Rs 141.781 million;
- Lease liabilities recognized as other liabilities – increase by Rs 141.561 million

The impact on profit and loss account for the period January 1, 2019 to March 31, 2019 was a decrease of Rs 2.925 million.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2018.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the company are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2018.

		(Un-audited) 31 March 2019	(Audited) 31 December 2018
	<i>Note</i>	(Rupees in '000)	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
local currency		320	297
foreign currency		198	198
		518	495
With State Bank of Pakistan in			
Local currency current account	6.1	157,642	121,861
With National Bank of Pakistan in			
Local currency current account		902	248
		<u>159,062</u>	<u>122,604</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		2,506	17,776
In deposit accounts	7.1	1,955,323	2,257,310
		<u>1,957,829</u>	2,275,086
Outside Pakistan:			
In current accounts		631	503
		<u>1,958,460</u>	<u>2,275,589</u>
7.1	These include term deposit receipts (TDRs) of Rs. 1,950 million (2018: Rs. 2,250 million) maturing between April 2019 to May 2019 (2018: January 2019 to March 2019). These carry mark-up rates ranging from 11.25% to 12.35% (2018: 9.35% to 12%) per annum.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Certificates of investment		250,000	-
Repurchase agreement lendings (Reverse Repo)		4,566,018	5,434,296
		<u>4,816,018</u>	<u>5,434,296</u>

9 INVESTMENTS

	31 March 2019 (Unaudited)			31 December 2018 (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	9,239,961	-	5,571	9,245,532	22,528,724	-	(3,246)	22,525,478
Shares	-	-	-	-	-	-	-	-
Non-Government debt securities	200,039	-	666	200,705	199,840	-	866	200,706
	9,440,000	-	6,237	9,446,237	22,728,564	-	(2,380)	22,726,184
Available-for-sale securities								
Federal Government securities	5,285,183	-	(28,761)	5,256,422	1,405,393	-	(43,262)	1,362,131
Shares	347,333	(121,333)	-	226,000	347,333	(121,333)	-	226,000
Non-Government debt securities	3,182,535	(463,477)	13,136	2,732,194	3,237,772	(467,723)	32,843	2,802,892
	8,815,051	(584,810)	(15,625)	8,214,616	4,990,498	(589,056)	(10,419)	4,391,023
Associates	1,045,951	(70,726)	-	975,225	1,045,951	(70,726)	-	975,225
Subsidiary	498,300	(157,375)	-	340,925	498,300	(157,375)	-	340,925
Total Investments	19,799,302	(812,911)	(9,388)	18,977,003	29,263,313	(817,157)	(12,799)	28,433,357

9.1.1 Investments given as collateral

	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
	Cost / Amortised Cost	Provision for diminution	Carrying Value	Cost / Amortised Cost
		Surplus / (deficit)	Value	Surplus / (deficit)
				Provision for diminution
				Carrying Value
(Rupees in '000)				
Federal Government Securities				
- Pakistan Investment Bonds	10,100,714	-	10,076,499	3,827,167
- Market treasury bills	2,637,262	(127)	2,637,135	(44,398)
	12,737,976	(24,342)	12,713,634	(2,253)
				(46,651)
Shares				
- Listed companies	226,000	-	226,000	-
- Unlisted companies	226,000	-	226,000	-
	70,726	(70,726)	-	(70,726)
Associates				
Japan Power Generation Limited	70,726	(70,726)	-	(70,726)
Total investments	13,034,702	(24,342)	12,939,634	(46,651)
				22,381,103

(Un-audited)
First quarter ended
31 March
2019

(Audited)
Year ended
31 December
2018

9.2 Provision for diminution in value of investments

9.2.1 Opening balance	817,157	925,801
Charges / reversals		
Charge for the year	(4,246)	(37,533)
Reversals for the year	(4,246)	(37,533)
Transfers - net	-	(71,111)
Amounts written off	-	-
Closing balance	812,911	817,157

9.2.2 Particulars of provision against debt securities

Category of classification	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
	NPI	Provision	NPI	Provision
Domestic	-	-	-	-
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	483,926	463,477	488,172	467,723
	483,926	463,477	488,172	467,723

10 ADVANCES

	Performing		Non-performing		Total	
	31-Mar-19 (Rupees in '000)	31-Dec-18 (Rupees in '000)	31-Mar-19 (Rupees in '000)	31-Dec-18 (Rupees in '000)	31-Mar-19 (Rupees in '000)	31-Dec-18 (Rupees in '000)
Loans, cash credits, running finances, etc.	20,235,525	20,120,701	688,206	711,233	20,923,731	20,831,934
Margin trading	279,171	229,460	-	-	279,171	229,460
Advances - Gross	20,514,696	20,350,161	688,206	711,233	21,202,902	21,061,394
Provision against advances						
Specific						
General	213	213	557,494	580,479	557,494	580,479
	213	213	557,494	580,479	557,707	580,692
Advances - net of provision	20,514,483	20,349,948	130,712	130,754	20,645,195	20,480,702

10.1 Advances include Rs. 688 million (2018: Rs 711 million) which have been placed under the non-performing status as detailed below:

Category of Classification

	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Domestic	-	-	-	-
Other Assets Especially Mentioned	2,177	-	26,912	-
Substandard	207,513	90,000	182,820	90,000
Doubtful	478,516	467,494	501,501	490,479
Loss	688,206	557,494	711,233	580,479

10.2 Particulars of provision against advances

	First quarter ended 31 March 2019 (Unaudited)		Year ended 31 December 2018 (Audited)	
	Specific	General	Specific	General
Opening balance	580,479	213	875,047	213
Charge for the year	-	-	-	-
Reversals	(22,985)	-	(294,568)	-
	(22,985)	-	(294,568)	-
Amounts written off	-	-	-	-
Closing balance	557,494	213	580,479	213

10.2.1 Particulars of provision against advances

	First quarter ended 31 March 2019 (Unaudited)		Year ended 31 December 2018 (Audited)	
	Specific	General	Specific	General
In local currency	557,494	213	580,479	213
In foreign currencies	-	-	-	-
	557,494	213	580,479	213

10.3 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 2019, the Company has availed total accumulated FSV benefit amounting to Rs 8 million (2018 Rs. 4.3 million) [net of tax Rs 5.7 million (2018: net of tax Rs. 3.1 million)]. Accordingly, accumulated profit of Rs 5.7 million (2018: Rs.3.1 million) [net of transfer to statutory reserves Rs 4.6 million (2018:Rs. 2.5 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 abovementioned SBP directives.

	Note	(Un-audited) 31 March 2019 ----- (Rupees in '000) -----	(Audited) 31 December 2018
11			
FIXED ASSETS			
Property and equipments	11.1	<u>233,091</u>	<u>95,732</u>

11.1 This includes right-of-use assets due to adoption of IFRS 16 as detailed in note 3.2.

(Un-Audited) First quarter ended	
31 March 2019	31 March 2018
----- (Rupees in '000) -----	

11.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Property and equipment

Office equipment	1,760	85
Computer equipment	65	-
Furniture and fixture	150	350
Vehicles	-	141
Total	<u>1,975</u>	<u>576</u>

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Vehicles	-	2,553
Total	<u>-</u>	<u>2,553</u>

(Un-audited) 31 March 2019 ----- (Rupees in '000) -----	(Audited) 31 December 2018
--	----------------------------------

12 INTANGIBLE ASSETS

Computer Software	320	437
	<u>320</u>	<u>437</u>

(Un-Audited)	(Audited)
31 March	31 December
2019	2018

(Rupees in '000)

13 DEFERRED TAX ASSETS

Deferred tax assets arising in respect of:

Provision for diminution in the value of investments	207,812	209,000
Assets subject to finance leases	67	66
Amortisation of premium on Federal Government Securities	3,559	2,555
Provision against non-performing advances	156,158	162,594
Revaluation on investments classified as available-for-sale	4,375	2,917
Revaluation on investments classified as held-for-trading	(1,746)	667
Net investment in finance leases	68,332	71,793
	438,557	449,592

Less: Deferred tax liabilities arising in respect of:

Accelerated tax depreciation allowances	(201)	(1,388)
Revaluation on Non-banking assets	(7,454)	(8,765)
Dividend receivable	-	-
	(7,655)	(10,153)
	430,902	439,439

14 OTHER ASSETS

Income/ Mark-up accrued in local currency - net of provision	624,628	454,034
Mark-up / profit receivable on purchase of securities	84,520	13,373
Security deposits	4,288	4,288
Prepayments	7,331	13,225
Taxation	19,059	-
Non-banking assets acquired in satisfaction of claims	263,463	267,226
Staff Gratuity	2,466	9,928
Others	1,120	1,066
	1,006,875	763,140
Less: Provision held against other assets	-	-
Other assets (net of provisions)	1,006,875	763,140
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	64,258	65,176
	1,071,133	828,316

15	BORROWINGS	Note	(Un-Audited)	(Audited)
			31 March 2019	31 December 2018
			(Rupees in '000)	
	Secured			
	Borrowings from the State Bank of Pakistan:			
	- Long term financing facility (LTFF)	15.1	2,113,384	2,128,804
	Repurchase agreement borrowings	15.2	15,480,008	25,823,942
	Long term borrowings	15.3	5,731,467	6,123,133
	Short term running finance	15.4	655,020	581,897
	Bai Muajjal	15.5	1,296,869	1,296,869
	Total secured		25,276,748	35,954,645
	Unsecured			
	Placements	15.6	5,316,256	3,007,000
	Murabaha financing	15.7	-	1,000,000
	Total unsecured		5,316,256	4,007,000
			30,593,004	39,961,645

15.1 The Company has entered into agreements for financing with the SBP of long term finance for export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP. The mark up rates ranges from 2% to 4.50% (2018: 2% to 4.50%) per annum. These are repayable within 10 years (2018: 10 years).

15.2 The mark up rate on these repurchase agreement borrowings, maturing in April 2019 (2018: January 2019), ranges between 10.% to 10.40% (2018: 10.19% to 10.40%) per annum. Securities having cost of Rs. 15.507 million (2018: Rs 25.809 million) have been pledged against these borrowings.

15.3 The mark up rate on these long-term borrowings ranges from 9.77% to 11.40% (2018: 8.35% to 11.14%) per annum. The above facilities are secured against advances receivable.

15.4 The mark up rate on these short-term running finance facility is three months KIBOR + 0.25% (2018: three months KIBOR + 0.25%). The above facility are secured against loan and advances receivable.

15.5 The mark up rate on these Bai Muajjal secured against government securities, maturing in April 2019 (2018: April 2019) is 6.56% (2018: 6.56%) per annum.

15.6 The mark up rate on these placements, maturing in April 2019 (2018: January 2019 to February 2019) ranges between 10.60% to 11.25% (2018: 10.25% to 11%) per annum.

15.7 The mark up rate on these murabaha financing, maturing nil (2018: January 2019) is nil (2018: 10.50%) per annum.

16 DEPOSITS AND OTHER ACCOUNTS

	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
	In local currency	Total	In local currency	Total
----- (Rupees in '000) -----				
Certificates of investment				
Financial institutions	3,007,938	3,007,938	2,961,000	2,961,000
Others	5,320,606	5,320,606	6,049,490	6,049,490
	8,328,544	8,328,544	9,010,490	9,010,490

16.1 The rate of return on deposits maturing between April 2019 to March 2020 (2018: January 2019 to December 2019) ranges between 6.40% to 11.25% (2018: 3.90% to 10.60%) per annum.

17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	31 March 2019 (Unaudited)			31 December 2018 (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	431	42	389	431	49	382
Later than one year and upto five years	520	10	510	628	18	610
	951	52	899	1,059	67	992

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% (2018: 7.90%) per annum. At the end of lease term, the Company has option to acquire the assets, subject to adjustment of security deposits.

18	OTHER LIABILITIES	(Un-Audited)	(Audited)
		31 March 2019	31 December 2018
		(Rupees in '000)	
	Mark-up/ Return/ Interest payable in local currency	413,530	338,454
	Accrued expenses	165,141	204,068
	Dividend payable	430,500	-
	Security deposits against investment in finance leases	363,412	356,216
	Taxation	-	45,795
	Lease liability against right-of-use assets	141,561	-
	Others	32,407	49,874
		<u>1,546,551</u>	<u>994,407</u>

19 SHARE CAPITAL

19.1 Authorized Capital

	(Un-Audited)	(Audited)		(Un-Audited)	(Audited)
	31 March 2019	31 December 2018		31 March 2019	31 December 2018
	(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>

19.2 Issued, subscribed and paid-up

			Ordinary shares of Rs. 10 each		
			(Un-Audited)	(Audited)	
			31 March 2019	31 December 2018	
	600,000,000	600,000,000	- Fully paid in cash	6,000,000	6,000,000
	15,000,000	15,000,000	- Issued as bonus shares	150,000	150,000
	<u>615,000,000</u>	<u>615,000,000</u>		<u>6,150,000</u>	<u>6,150,000</u>

19.3 The Ministry of Finance on behalf of the Government of Pakistan and the Sultanate of Oman through its Ministry of Finance each holds 307,495,900 (2018: 307,495,900) ordinary shares of the Company, while 4,100 (2018: 4,100) ordinary shares each are held by the Secretary - Economic Affairs Division, Government of Pakistan and Ministry of Commerce and Industry, Sultanate of Oman.

20 SURPLUS ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of		
- Available for sale securities	(15,625)	(10,419)
- Non-banking assets acquired in satisfaction of claims	64,258	65,176
	48,633	54,757
Deferred tax on surplus / (deficit) on revaluation of:		
- Available for sale securities	4,375	2,917
- Non-banking assets acquired in satisfaction of claims	(17,992)	(18,249)
	(13,617)	(15,332)
	<u>35,016</u>	<u>39,425</u>

21	CONTINGENCIES AND COMMITMENTS	Note	(Un-Audited) 31 March 2019 (Rupees in '000)	(Audited) 31 December 2018
	Transaction related contingent liability:			
	Standby letter of credit		343,314	208,513
	Pledge of shares on behalf of Japan Power Generation Limited	21.1	70,726	70,726
	Pledge of shares on behalf of Orient Power Company (Private) Limited	21.2	226,000	226,000
	Commitments for:			
	Purchase of Government securities		91,948	13,944,874
	Sale of Government securities		2,428,372	2,869,539
	Commitments for advances and net investment in finance leases		564,970	2,042,040
	Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited	21.3	334,000	334,000
21.1	Shares in Japan Power Generation Limited (JPGL) (an associate) aggregating 17,622,878 having a cost of Rs. 70.726 million (2018: 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).			
21.2	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.			
21.3	PIBs having face value amounting to Rs. 334 million (2018: PIBs and T-Bill Rs 334 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	
		31 March	31 March 2018
		2019	
		(Rupees in '000)	
22	MARK-UP / RETURN / INTEREST EARNED		
	On loans and advances	546,636	381,260
	On investments	441,331	335,725
	On lendings to financial institutions	111,015	43,514
	On balances with banks	45,188	28,321
		<u>1,144,170</u>	<u>788,820</u>
23	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	187,295	162,397
	Borrowings	693,167	431,655
	Lease liability against right-of-use assets	4,083	-
		<u>884,545</u>	<u>594,052</u>
24	FEE AND COMMISSION INCOME		
	Credit related fees	6,049	17,572
	Investment banking fees	-	3,916
	Commission on guarantees	917	-
	Underwriting commission of Government securities auction	1,722	-
		<u>8,688</u>	<u>21,488</u>
25	GAIN ON SECURITIES		
	Realised	3,195	9,684
	Unrealised - held for trading	8,617	(2,205)
		<u>11,812</u>	<u>7,479</u>
25.1	Realised gain on:		
	Federal Government Securities	2,385	(4,631)
	Non Government debt securities	810	2,412
	Shares	-	11,903
		<u>3,195</u>	<u>9,684</u>
26	OTHER INCOME		
	Gain on sale of fixed assets - net	-	1,017
	Gain on sale of non-banking assets - net	-	17,381
		<u>-</u>	<u>18,398</u>

27 OPERATING EXPENSES

		(Un-Audited)	
		First quarter ended	
		31 March 2019	31 March 2018
		(Rupees in '000)	
Total compensation expense		105,440	105,896
Property expense			
Rent & taxes	188	5,917	
Utilities cost	502	581	
Security (including guards)	151	149	
Repair & maintenance (including janitorial charges)	1,732	1,738	
Depreciation on right-of-use assets	6,105	-	
Depreciation	527	527	
	9,205	8,912	
Information technology expenses			
Software maintenance	271	368	
Hardware maintenance	-	17	
Depreciation	268	511	
Amortisation	117	117	
Network charges	224	481	
Others	77	197	
	957	1,691	
Other operating expenses			
Directors' fees and allowances	6,002	4,481	
Legal & professional charges	1,833	1,903	
Travelling & conveyance	2,265	1,606	
Depreciation	9,626	10,662	
Training & development	62	83	
Postage & courier charges	76	93	
Communication	1,308	1,456	
Stationery & printing	362	294	
Marketing, advertisement & publicity	241	141	
Donations	300	320	
Auditors' remuneration	358	1,006	
Membership and subscriptions	311	384	
Transportation	1,961	2,353	
Insurance	515	413	
Finance charges on leased assets	51	15	
Entertainment and canteen expenses	662	847	
Others	550	3,162	
	26,483	29,219	
Total operating expenses		142,085	145,718

		(Un-Audited)	
		First quarter ended	
		31 March 2019	31 March 2018
		(Rupees in '000)	
28	OTHER CHARGES		
	Fees, commission and others	4,761	6,066
		<u>4,761</u>	<u>6,066</u>
29	REVERSALS & WRITE OFFS - NET		
	Reversals of provisions for diminution in value of investments	(4,246)	-
	Reversals of provisions against loans & advances	(22,985)	(120,070)
		<u>(27,231)</u>	<u>(120,070)</u>
30	TAXATION		
	Current	34,475	37,943
	Prior years	-	-
	Deferred	9,995	25,164
		<u>44,470</u>	<u>63,107</u>

30.1 Tax contingencies

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 tax years 2015 to 2017 ACIR has passed orders under section 221 of the income tax ordinance 2001 and raised demand of Super tax of Rs 158 million. The company has filed appeal against the said orders, the said appeal is pending at adjudication. The Company's tax advisor is confident to obtain favourable decision from appellate forum and accordingly no provision has been made. Moreover, 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.

		(Un-Audited)	
		First quarter ended	
		31 March 2019	31 March 2018
31	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation	<i>Rupees in '000</i> 113,496	145,686
	Weighted average number of ordinary shares in issue	<i>Numbers in '000</i> 615,000	615,000
	Basic and diluted earnings per share	<i>Rupees</i> 0.18	0.24

31.1 There were no convertible dilutive potential ordinary shares outstanding on 31 March 2018 and 2019.

		(Un-Audited)	
		First quarter ended	
		31 March 2019	31 March 2018
		(Rupees in '000)	
32	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	159,062	154,523
	Balances with other banks	1,958,460	1,612,879
		<u>2,117,522</u>	<u>1,767,402</u>

33 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.

33.1 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.

33.2 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:

	31 March 2019			Total
	Level 1	Level 2	Level 3	
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	14,501,954	-	14,501,954
Non-Government Debt Securities	-	2,932,899	-	2,932,899
Mutual funds	637,953	-	-	637,953
Financial assets - disclosed but not measured at fair value				
Investments	-	-	-	951,633
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	23,887,609	-	23,887,609
Non-Government Debt Securities	-	3,003,598	-	3,003,598
Mutual funds	624,631	-	-	624,631
Financial assets - disclosed but not measured at fair value				
Investments	-	-	-	951,633

34 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

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	(22,985)	(4,246)	-	(27,231)
Profit before tax	105,076	(38,066)	90,956	157,966
Balance Sheet				
Cash & Bank balances	-	-	2,117,522	2,117,522
Investments	-	3,022,723	15,954,280	18,977,003
Lendings to financial institutions	-	-	4,816,018	4,816,018
Advances - performing	20,235,312	-	279,171	20,514,483
non- performing	130,712	-	-	130,712
Others	761,143	548,446	425,857	1,735,446
Total Assets	21,127,167	3,571,169	23,592,848	48,291,184
Borrowings	14,573,084	2,106,089	13,913,831	30,593,004
Subordinated debt	-	-	-	-
Deposits & other accounts	3,643,699	615,902	4,068,943	8,328,544
Others	881,423	87,560	578,466	1,547,450
Total liabilities	19,098,207	2,809,551	18,561,240	40,468,998
Equity	2,028,960	761,617	5,031,608	7,822,186
Total Equity & liabilities	21,127,167	3,571,169	23,592,848	48,291,184
Contingencies & Commitments	908,284	630,726	2,520,320	4,059,330

First quarter ended 31 March 2018 (Unaudited)				
Corporate Banking	Investment Banking	Treasury	Total	
(Rupees in '000)				
Profit & Loss				
Net mark-up/return/profit	139,535	(10,858)	66,091	194,768
Non mark-up / return / interest income	17,572	19,581	11,009	48,162
Total Income	157,107	8,723	77,100	242,930
Segment direct expenses	79,299	24,002	50,906	154,207
(Reversals) / Provisions	(120,070)	-	-	(120,070)
Profit before tax	197,878	(15,279)	26,194	208,793

Year ended 31 December 2018				
Corporate Banking	Investment Banking	Treasury	Total	
(Rupees in '000)				
Balance Sheet				
Cash & Bank balances	-	-	2,398,193	2,398,193
Investments	-	3,083,646	25,349,711	28,433,357
Lendings to financial institutions	-	-	5,434,296	5,434,296
Advances - performing	20,120,488	-	229,460	20,349,948
non-performing	130,754	-	-	130,754
Others	612,405	532,478	219,041	1,363,924
Total Assets	20,863,647	3,616,124	33,630,701	58,110,472
Borrowings	15,712,088	2,354,279	21,895,278	39,961,645
Subordinated debt	-	-	-	-
Deposits & other accounts	3,235,074	560,709	5,214,707	9,010,490
Others	585,705	39,775	369,919	995,399
Total liabilities	19,532,867	2,954,763	27,479,904	49,967,534
Equity	1,330,780	661,361	6,150,797	8,142,938
Total Equity & liabilities	20,863,647	3,616,124	33,630,701	58,110,472
Contingencies & Commitments	2,250,553	630,726	16,814,413	19,695,692

35 RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associates, subsidiary company, employee benefit plans, company having common directors and its key management personnel (including their associates). 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:

35.1 Subsidiary

Pak Oman Asset Management Company Limited

35.2 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

35.3 Key management personnel

All heads of departments
Directors

35.4 Retirement benefit fund

Defined benefit plan
Defined contribution plan

35.5 Other related party

Orient Power Company (Private) Limited

35.6 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 2019 (Unaudited)					Year ended 31 December 2018 (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
Investments												
Opening balance	-	-	498,300	1,045,951	-	226,000	-	-	498,300	1,045,951	-	226,000
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	498,300	1,045,951	-	226,000	-	-	498,300	1,045,951	-	226,000
Provision for diminution in value of investments												
Opening balance	-	-	157,375	70,726	-	-	-	-	157,375	70,726	-	-
Addition during the year	-	43,626	-	68,200	-	72,916	-	32,399	-	68,200	-	114,232
Repaid during the year	-	14,475	-	-	-	(5,157)	-	11,734	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	(11,191)	-	(9,468)	-	-	-	(41,316)
Closing balance	-	29,151	-	68,200	-	61,723	-	8,951	-	68,200	-	72,916
Provision held against advances												
Opening balance	-	-	-	68,200	-	-	-	-	-	68,200	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	68,200	-	-	-	-	-	68,200	-	-

	First quarter ended 31 March 2019 (Unaudited)					Year ended 31 December 2018 (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
Other Assets												
Interest / mark-up accrued	-	-	-	-	-	1,981	-	-	-	-	-	2,045
Receivable from staff retirement fund	-	-	-	-	-	2,466	-	-	-	-	-	9,928
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-
Provision against other assets												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts	909	-	-	-	5,492	-	-	1,168	-	450,000	36,625	-
Received during the year	27,086	-	-	-	30,563	-	-	30,281	-	1,000,000	241,156	-
Withdrawn during the year	(2,066)	-	-	-	(19,820)	-	-	(30,540)	-	(1,450,000)	(272,290)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	25,929	-	-	-	16,235	-	-	909	-	-	5,492	-
Other Liabilities												
Interest / mark-up payable	-	86	-	-	-	121	-	-	-	-	-	2
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Due to sale of Government Securities												
Opening balance	-	-	-	477,583	405,721	-	-	-	231,070	965,241	250,474	-
Outright purchase of Government Securities	-	-	-	-	405,752	-	-	-	115,646	4,978	94,955	-
Contingencies and Commitments												
Other contingencies	-	-	334,000	70,726	-	226,000	-	-	334,000	70,726	-	226,000

35.7 Related party transactions

	First quarter ended 31 March 2019 (Unaudited)					First quarter ended 31 March 2018 (Unaudited)						
	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties
Income												
Mark-up / return / interest earned	-	549	-	-	-	2,185	-	923	-	-	-	2,391
Expenses												
Mark-up / return / interest paid	-	105	-	-	287	-	-	764	-	23	3,109	-
Operating expenses	6,002	-	-	-	-	-	4,481	-	-	-	-	-
Directors' fees and allowances	66,869	40,920	-	-	-	-	77,053	44,796	-	-	-	-
Compensation expenses	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	4,319	-	-	-	-	-	4,532	-
Charge for defined benefit plan	-	-	-	-	3,968	-	-	-	-	-	4,470	-

36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-Audited) 31 March 2019	(Audited) 31 December 2018
	(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>5,385,014</u>	5,760,301
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>5,385,014</u>	5,760,301
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>5,385,014</u>	<u>5,760,301</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>26,461,544</u>	30,256,061
Market Risk	<u>4,209,787</u>	1,003,458
Operational Risk	<u>2,051,664</u>	2,051,664
Total	<u>32,722,995</u>	<u>33,311,183</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>16.46%</u>	17.29%
Tier 1 Capital Adequacy Ratio	<u>16.46%</u>	17.29%
Total Capital Adequacy Ratio	<u>16.46%</u>	17.29%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>5,385,014</u>	5,760,301
Total Exposures	<u>57,594,872</u>	66,450,096
Leverage Ratio	<u>9.35%</u>	8.67%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>6,561,375</u>	6,503,094
Total Net Cash Outflow	<u>10,375,939</u>	16,808,490
Liquidity Coverage Ratio	<u>63.24%</u>	38.69%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>19,376,790</u>	20,705,300
Total Required Stable Funding	<u>18,763,186</u>	18,970,216
Net Stable Funding Ratio	<u>103.27%</u>	109.15%

37 CREDIT RATING

The JCR-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.

38. GENERAL

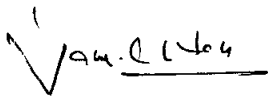
38.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

38.2 Corresponding figures

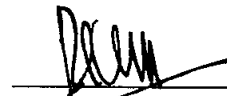
Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation in accordance with the new format prescribed by State Bank of Pakistan vide BPRD circular letter no. 5 of 2019.

39. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on 06 May 2019 by the Board of Directors of the Company.



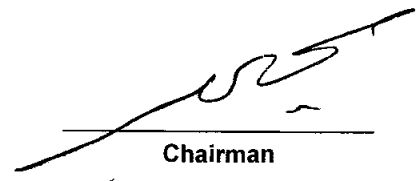
Chief Financial Officer



Managing Director
and Chief Executive



Managing Director
and Chief Executive



Chairman