



KPMG Taseer Hadi & Co.  
Chartered Accountants

**Pak Oman Investment Company  
Limited**

Unconsolidated Interim  
Financial Statements  
For the half year ended  
30 June 2018



KPMG Taseer Hadi & Co.  
Chartered Accountants  
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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Pak Oman Investment Company Limited**

**Report on review of Interim Financial Information**

### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Pak Oman Investment Company Limited ("the Company") as at 30 June 2018, and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the unconsolidated condensed interim financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



KPMG Taseer Hadi & Co.

**Other Matters**

The figures for the quarters ended 30 June 2018 and 30 June 2017 in the unconsolidated condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in the independent auditor's review report is Muhammad Taufiq.

**Date: 18 August 2018**

**Karachi**

*KPMG Taseer Hadi & Co.*  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

Pak Oman Investment Company Limited  
Unconsolidated Condensed Interim Statement of Financial Position

As at 30 June 2018

30 June 2018 (US Dollars in '000)	31 December 2017		Note	(Un-audited) 30 June 2018 (Rupees in '000)	(Audited) 31 December 2017
<b>ASSETS</b>					
1,392	1,398	Cash and balances with treasury banks		169,180	169,886
12,087	16,563	Balances with other banks		1,468,568	2,012,314
51,326	16,776	Lendings to financial institutions		6,236,023	2,038,288
212,964	331,206	Investments - net	7	25,874,550	40,240,634
183,217	154,641	Advances - net	8	22,260,328	18,788,493
551	674	Operating fixed assets	9	67,004	81,901
3,980	4,593	Deferred tax assets -net	10	483,566	558,070
7,484	6,418	Other assets		909,171	779,804
<b>473,001</b>	<b>532,269</b>			<b>57,468,390</b>	<b>64,669,390</b>
<b>LIABILITIES</b>					
-	-	Bills payable		-	-
314,029	367,150	Borrowings	11	38,153,611	44,607,690
86,016	86,431	Deposits and other accounts	12	10,450,694	10,501,149
-	-	Sub-ordinated loans		-	-
10	11	Liabilities against assets subject to finance lease		1,167	1,346
-	-	Deferred tax liabilities		-	-
7,837	11,817	Other liabilities		952,439	1,435,848
<b>407,892</b>	<b>465,409</b>			<b>49,557,911</b>	<b>56,546,033</b>
<b>65,109</b>	<b>66,860</b>			<b>7,910,479</b>	<b>8,123,357</b>
<b>NET ASSETS</b>					
<b>REPRESENTED BY</b>					
50,618	50,618	Share capital	13	6,150,000	6,150,000
9,189	8,821	Reserves		1,116,378	1,071,761
4,836	6,898	Unappropriated profit		587,503	838,056
<b>64,643</b>	<b>66,337</b>			<b>7,853,881</b>	<b>8,059,817</b>
466	523	Surplus on revaluation of assets - net of deferred tax	14	56,598	63,540
<b>65,109</b>	<b>66,860</b>			<b>7,910,479</b>	<b>8,123,357</b>
<b>CONTINGENCIES AND COMMITMENTS</b>					
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The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.

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*Vam. El-Hadi*

Chief Financial Officer

*[Signature]*

Managing Director  
and Chief Executive

*[Signature]*

Managing Director  
and Chief Executive

*[Signature]*

Chairman

Pak Oman Investment Company Limited  
 Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited)  
 For the half year ended 30 June 2018

Half year ended			Quarter ended		Half year ended	
30 June	30 June		30 June	30 June	30 June	30 June
2018	2017		2018	2017	2018	2017
(US Dollars in '000)			(Rupees in '000)			
12,693	15,017	Mark-up/return/interest earned	753,340	1,078,242	1,542,160	1,824,506
9,408	11,503	Mark-up/return/interest expensed	549,011	854,447	1,143,063	1,397,585
3,285	3,514	<b>Net mark-up/ interest income</b>	204,329	223,795	399,097	426,921
(1,706)	(753)	(Reversal) of provision against non -performing advances	(87,146)	(78,078)	(207,216)	(91,495)
(76)	3	(Reversal) / Provision for diminution in the value of investments	(9,242)	334	(9,242)	334
-	-	Bad debts written off directly	-	-	-	-
(1,782)	(750)		(96,388)	(77,744)	(216,458)	(91,161)
5,067	4,264	<b>Net mark-up/ interest income after provisions</b>	300,717	301,539	615,555	518,082
<b>NON MARK-UP/INTEREST INCOME</b>						
379	301	Fee, commission and brokerage income	24,580	24,563	46,068	36,613
163	347	Dividend income	19,048	34,562	19,845	42,132
-	-	Income from dealing in foreign currency	-	-	-	-
177	1,407	Gain on sale of securities	11,862	70,622	21,546	170,901
24	(90)	Unrealised gain / (loss) on revaluation of investments classified as 'held-for-trading' securities	-	-	-	-
157	2	Other income	5,065	(7,960)	2,860	(10,925)
900	1,967	<b>Total non -mark up/interest income</b>	61,200	122,075	109,362	239,009
5,967	6,231		361,917	423,614	724,917	757,091
<b>NON MARK-UP/INTEREST EXPENSES</b>						
2,407	2,198	Administrative expenses	146,719	132,163	292,437	267,083
-	-	Other write offs / provisions	-	-	-	-
150	217	Other charges	9,730	14,193	18,219	26,374
2,557	2,415	<b>Total non-mark up/interest expenses</b>	156,449	146,356	310,656	293,457
3,410	3,816		205,468	277,258	414,261	463,634
-	-	Extra ordinary /unusual items	-	-	-	-
3,410	3,816	<b>PROFIT BEFORE TAXATION</b>	205,468	277,258	414,261	463,634
692	1,311	Taxation - current	46,076	78,664	84,019	159,271
230	320	- prior	27,884	38,904	27,884	38,904
652	(145)	- deferred	54,110	12,151	79,274	(17,575)
1,574	1,486		128,070	129,719	191,177	180,600
1,836	2,330	<b>PROFIT AFTER TAXATION</b>	77,398	147,539	223,084	283,034
----- US Dollar -----			----- (Rupees) -----			
0.0030	0.0038	Basic and diluted earnings per share	0.13	0.24	0.36	0.46

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.

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 Chief Financial Officer

  
 Managing Director  
 and Chief Executive

  
 Managing Director  
 and Chief Executive

  
 Chairman

Pak Oman Investment Company Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the half year ended 30 June 2018

Half year ended			Quarter ended		Half year ended	
30 June	30 June		30 June	30 June	30 June	30 June
2018	2017		2018	2017	2018	2017
(US Dollars in '000)			(Rupees in '000)			
1,836	2,330	<b>PROFIT AFTER TAXATION</b>	77,398	147,539	223,084	283,034
		<b>Other comprehensive income</b>				
		Items that may be reclassified subsequently to profit and loss account				
<u>1,836</u>	<u>2,330</u>	<b>Comprehensive income transferred to equity</b>	<u>77,398</u>	<u>147,539</u>	<u>223,084</u>	<u>283,034</u>
		<b>Component of comprehensive income not transferred to equity</b>				
		Surplus / (deficit) on revaluation of 'available for sale' investments	(16,841)	(76,004)	(60)	(156,237)
2	285	Related tax impact	3,254	17,771	249	34,569
2	(1,001)		(13,587)	(58,233)	189	(121,668)
<u>1,838</u>	<u>1,329</u>	<b>Total comprehensive income</b>	<u>63,811</u>	<u>89,306</u>	<u>223,273</u>	<u>161,366</u>

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.

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Chief Financial Officer



Managing Director and Chief Executive



Managing Director and Chief Executive



Chairman

Pak Oman Investment Company Limited  
 Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited)  
 For the half year ended 30 June 2018

30 June 2018 (US Dollars in '000)	30 June 2017		Note	30 June 2018 (Rupees in '000)	30 June 2017 (Rupees in '000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
3,410	3,816	Profit before taxation		414,261	463,634
163	347	Less: Dividend income		19,845	42,132
<u>3,247</u>	<u>3,469</u>			<u>394,416</u>	<u>421,502</u>
<b>Adjustments for non-cash charges</b>					
188	196	Depreciation		22,826	23,811
2	2	Amortisation of intangible assets		235	263
(24)	90	Unrealised loss on revaluation of investments classified as 'held-for-trading' securities		(2,860)	10,925
(14)	(2)	Gain on sale of fixed assets		(1,662)	(288)
(1,706)	(753)	(Reversal) of provision against non-performing advances		(207,216)	(91,495)
(76)	3	(Reversal) / provision for diminution in the value of investments		(9,242)	334
<u>(1,630)</u>	<u>(464)</u>			<u>(197,919)</u>	<u>(56,450)</u>
<u>1,617</u>	<u>3,005</u>			<u>196,497</u>	<u>365,052</u>
<b>(Increase) / decrease in operating assets</b>					
(34,550)	2,357	Lendings to financial institutions		(4,197,735)	286,340
83,889	(177,257)	Net Investments in held-for-trading securities		10,192,221	(21,536,213)
(26,870)	(40,426)	Advances		(3,264,619)	(4,911,633)
(1,080)	(2,454)	Other assets		(130,960)	(298,154)
<u>21,389</u>	<u>(217,780)</u>			<u>2,598,907</u>	<u>(26,459,660)</u>
<b>Increase / (decrease) in operating liabilities</b>					
(53,121)	255,215	Borrowings		(6,454,079)	31,007,873
(415)	24,518	Deposits and other accounts		(50,455)	2,978,858
(3,961)	3,736	Other liabilities		(481,197)	454,022
<u>(57,497)</u>	<u>283,469</u>			<u>(6,985,731)</u>	<u>34,440,753</u>
<u>(34,491)</u>	<u>68,694</u>			<u>(4,190,327)</u>	<u>8,346,145</u>
(939)	(523)	Income tax paid		(114,115)	(63,509)
<u>(35,430)</u>	<u>68,171</u>	Net cash (used in) / from operating activities		<u>(4,304,442)</u>	<u>8,282,636</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
34,453	(67,478)	Net proceeds from / (investments in) available-for-sale securities		4,185,905	(8,198,384)
13	262	Dividend income received		1,540	31,823
(11)	(201)	Investments in operating fixed assets		(1,346)	(24,442)
38	7	Sale proceeds on sale of fixed assets disposed off		4,570	825
<u>34,493</u>	<u>(67,410)</u>	Net cash from / (used in) investing activities		<u>4,190,669</u>	<u>(8,190,178)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
(1)	(1)	Payment of lease obligation		(179)	(159)
(3,543)	(4,049)	Dividend paid		(430,500)	(492,000)
<u>(3,544)</u>	<u>(4,050)</u>			<u>(430,679)</u>	<u>(492,159)</u>
(4,481)	(3,289)	(Decrease) in cash and cash equivalents		(544,452)	(399,701)
17,961	14,484	Cash and cash equivalents at beginning of the period		2,182,200	1,759,805
<u>13,480</u>	<u>11,195</u>	<b>Cash and cash equivalents at the end of the period</b>	20	<u>1,637,748</u>	<u>1,360,104</u>

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.

  
 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 half year ended 30 June 2018

	Issued, subscribed and paid up capital	Reserves		Unappropriated profit	Total
		Statutory reserve	General reserve		
------(Rupees in '000)-----					
<b>Balance as at 01 January 2017</b>	<b>6,150,000</b>	<b>972,797</b>	<b>11,630</b>	<b>972,325</b>	<b>8,106,752</b>
<b>Total comprehensive income</b>					
Net profit after tax for the half year ended 30 June 2017	-	-	-	283,034	283,034
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	283,034	283,034
<b>Transfers</b>					
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	1,484	1,484
Transfer to statutory reserve	-	56,607	-	(56,607)	-
<b>Transaction with owners recognised directly in equity</b>					
Dividend for the year ended 31 December 2016 (Re. 0.80 per share)	-	-	-	(492,000)	(492,000)
<b>Balance as at 30 June 2017</b>	<b>6,150,000</b>	<b>1,029,404</b>	<b>11,630</b>	<b>708,236</b>	<b>7,899,270</b>
<b>Balance as at 01 January 2018</b>	<b>6,150,000</b>	<b>1,060,131</b>	<b>11,630</b>	<b>838,056</b>	<b>8,059,817</b>
<b>Total comprehensive income</b>					
Net profit after tax for the half year ended 30 June 2018	-	-	-	223,084	223,084
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	223,084	223,084
<b>Transfers</b>					
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	1,480	1,480
Transfer to statutory reserve	-	44,617	-	(44,617)	-
<b>Transaction with owners recognised directly in equity</b>					
Dividend for the year ended 31 December 2017 (Re. 0.70 per share)	-	-	-	(430,500)	(430,500)
<b>Balance as at 30 June 2018</b>	<b>6,150,000</b>	<b>1,104,748</b>	<b>11,630</b>	<b>587,503</b>	<b>7,853,881</b>

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.

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 Chief Financial Officer

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 Managing Director  
 and Chief Executive

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 Managing Director  
 and Chief Executive

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 Chairman

# Pak Oman Investment Company Limited

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

For the half year ended 30 June 2018

### 1. LEGAL 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 limited company. It 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 bank. The registered office of the company is situated at 1st Floor, Tower 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 BPD Circular No. 35 dated 28 October 2003 issued by the State Bank of Pakistan (SBP).

### 2. BASIS OF PREPARATION

The disclosures made in this unconsolidated condensed interim financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated 12 May 2004 and IAS 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2017.

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.121.4972 = 1 US dollar for the half year ended 30 June 2018 and the corresponding period.

### 3. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information of the Company has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 – "Interim Financial Reporting" as applicable in Pakistan, the requirements of the Companies Act, 2017 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case where requirements differ, the provisions of the Companies Act, 2017 and the directives issued by the SECP and SBP have been followed. Moreover, SBP has notified a new format of financial statements vide BPRD circular No. 2 of 2018 which would be effective from accounting year ended 31 December 2018.

The SBP has deferred the applicability of IAS 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Non Banking Financial Institutions in Pakistan vide BSD Circular Letter number 11 dated September 11, 2002, till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' has not been made applicable for banks and NBFCs. Therefore, it is also not applicable on the Company as it follows the same format of reporting as made applicable on Banks by the SBP and accordingly, the requirements of this standard have not been considered in the preparation of this unconsolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

#### 3.1 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following revised standards, amendments and interpretations with respect to the approved accounting standards would be effective from the dates mentioned below against the respective standard or interpretation:

##### - IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 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. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

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#### - IFRS 15 'Revenue from contracts with customers'

IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

#### - IFRS 16 'Leases'

IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial information are consistent with those applied in preparation of financial statements for the year ended 31 December 2017.

#### 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates / judgments and associated assumptions used in the preparation of this unconsolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2017.

#### 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2017.

#### 7. INVESTMENTS - net

##### 7.1 Investments by types

	30 June 2018 (Un-audited)			31 December 2017 (Audited)		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
Note -----(Rupees in '000)-----						
<b>Held-for-trading securities</b>						
Pakistan investment bonds	408,487	3,593,188	4,001,675	1,266,154	149,771	1,415,925
Market treasury bills (T-Bills)	1,813,753	7,850,458	9,664,211	2,530,885	19,906,888	22,437,773
Listed ordinary shares	-	-	-	4,409	-	4,409
	<b>2,222,240</b>	<b>11,443,646</b>	<b>13,665,886</b>	<b>3,801,448</b>	<b>20,056,659</b>	<b>23,858,107</b>
<b>Available-for-sale securities</b>						
Pakistan investment bonds	-	1,812,584	1,812,584	59	1,081,861	1,081,920
Market treasury bills (T-Bills)	-	5,935,216	5,935,216	242,727	10,347,683	10,590,410
Listed ordinary shares	-	-	-	145,807	-	145,807
Unlisted ordinary shares	121,333	226,000	347,333	121,333	226,000	347,333
Sukuk certificates	780,888	-	780,888	866,086	-	866,086
Commercial papers	49,290	-	49,290	47,479	-	47,479
Term finance certificates (TFCs)	2,572,543	-	2,572,543	2,675,835	-	2,675,835
	<b>3,524,054</b>	<b>7,973,800</b>	<b>11,497,854</b>	<b>4,099,326</b>	<b>11,655,544</b>	<b>15,754,870</b>
<b>Associates</b>						
Japan Power Generation Limited	-	70,726	70,726	-	70,726	70,726
Pak Oman Microfinance Bank Limited	384,708	-	384,708	384,708	-	384,708
Pak Oman Advantage Islamic Income Fund	165,025	-	165,025	165,025	-	165,025
Pak Oman Islamic Asset Allocation Fund	92,414	-	92,414	92,414	-	92,414
Pak Oman Advantage Asset Allocation Fund	84,078	-	84,078	84,078	-	84,078
Pak Oman Government Securities Fund	249,000	-	249,000	249,000	-	249,000
	<b>975,225</b>	<b>70,726</b>	<b>1,045,951</b>	<b>975,225</b>	<b>70,726</b>	<b>1,045,951</b>
<b>Subsidiary</b>						
Pak Oman Asset Management Company Limited	498,300	-	498,300	498,300	-	498,300
	<b>7,219,819</b>	<b>19,488,172</b>	<b>26,707,991</b>	<b>9,374,299</b>	<b>31,782,929</b>	<b>41,157,228</b>
<b>Investments at cost</b>						
Less: Provision for diminution in the value of investments	774,722	70,726	845,448	855,075	70,726	925,801
	<b>6,445,097</b>	<b>19,417,446</b>	<b>25,862,543</b>	<b>8,519,224</b>	<b>31,712,203</b>	<b>40,231,427</b>
<b>Investments - net of provisions</b>						
Surplus / (loss) on revaluation of held-for-trading securities	(1,066)	1,476	410	(883)	(1,567)	(2,450)
Surplus / (deficit) on revaluation of available-for-sale securities	22,702	(11,105)	11,597	13,532	(1,875)	11,657
	<b>6,466,733</b>	<b>19,407,817</b>	<b>25,874,550</b>	<b>8,531,873</b>	<b>31,708,761</b>	<b>40,240,634</b>

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8. ADVANCES - net	(Un-audited)	(Audited)
	30 June 2018	31 December 2017
	(Rupees in '000)	
Loans in Pakistan	20,769,972	17,735,039
Margin Trading	709,870	309,281
Net investment in finance lease in Pakistan	1,448,530	1,619,433
<b>Advances - gross</b>	<b>22,928,372</b>	<b>19,663,753</b>
Less: Provision for non-performing advances - Specific	(667,792)	(875,047)
Provision for non-performing advances - General	(252)	(213)
	<b>(668,044)</b>	<b>(875,260)</b>
<b>Advances - net of provision</b>	<b>22,260,328</b>	<b>18,788,493</b>

8.1 Advances include amount aggregating Rs. 776.813 million (31 December 2017: Rs. 964.378 million), which have been placed under the non-performing status as detailed below:

Category of classification	30 June 2018 (Un-audited)			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Substandard	-	-	-	-	-
Doubtful	193,937	-	193,937	95,938	95,938
Loss	582,876	-	582,876	571,854	571,854
	<b>776,813</b>	<b>-</b>	<b>776,813</b>	<b>667,792</b>	<b>667,792</b>

Category of classification	31 December 2017 (Audited)			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Substandard	-	-	-	-	-
Doubtful	209,246	-	209,246	130,938	130,938
Loss	755,132	-	755,132	744,109	744,109
	<b>964,378</b>	<b>-</b>	<b>964,378</b>	<b>875,047</b>	<b>875,047</b>

8.2 Particulars of provision against non-performing advances

	Half year ended 30 June 2018 (Un-audited)			Year ended 31 December 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	875,047	213	875,260	1,065,205	73	1,065,278
Charge during the period / year	-	39	39	2,969	140	3,109
Reversal during the period / year	(207,255)	-	(207,255)	(189,452)	-	(189,452)
Net (Reversal) / charge	(207,255)	39	(207,216)	(186,483)	140	(186,343)
Less: Amounts written off during the period / year	-	-	-	(3,675)	-	(3,675)
Closing balance	<b>667,792</b>	<b>252</b>	<b>668,044</b>	<b>875,047</b>	<b>213</b>	<b>875,260</b>

9. OPERATING FIXED ASSETS

	(Un-audited)	(Audited)
	30 June 2018	31 December 2017
	(Rupees in '000)	
Property and equipment	66,332	80,994
Intangible assets	672	907
	<b>67,004</b>	<b>81,901</b>

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(Un-Audited)	
Half year ended	
30 June 2018	30 June 2017

(Rupees in '000)

During the period additions to operating fixed assets were as follows:

**Owned**

Improvements	-	12,169
Office equipment	238	579
Computer equipment	562	677
Furniture and fixture	405	2,814
Vehicles	141	3,705
Capital work in progress	-	4,498
	<b>1,346</b>	<b>24,442</b>

During the period WDV of disposals from operating fixed assets were as follows:

**Owned**

Office equipment	21	-
Furniture and fixture	124	116
Vehicles	2,763	421
	<b>2,908</b>	<b>537</b>

(Un-Audited)	(Audited)
30 June 2018	31 December 2017

(Rupees in '000)

**10. DEFERRED TAX ASSETS - net**

**Deferred tax assets arising in respect of:**

Provision for diminution in the value of investments	216,922	235,190
Amortisation of premium on federal government securities	880	3,722
Assets subject to finance leases	60	59
Provision against non-performing loans and advances	187,052	262,578
	<b>404,914</b>	<b>501,549</b>

**Less: Deferred tax liabilities arising in respect of:**

Accelerated tax depreciation allowances	2,109	(12)
Revaluation on investments classified as available-for-sale	(3,248)	(3,497)
Revaluation on investments classified as held-for-trading	(115)	737
Revaluation of non-banking assets acquired in satisfaction of claims	(11,387)	(17,126)
Dividend receivable	(4,576)	-
Net investment in finance leases	95,869	76,419
	<b>78,652</b>	<b>56,521</b>
	<b>483,566</b>	<b>558,070</b>

**10.1** Represents super tax at 3% on taxable income for tax year 2018 and 2017 for rehabilitation of temporarily displaced persons imposed through Finance Act.

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		(Un-Audited) 30 June 2018 (Rupees in '000)	(Audited) 31 December 2017
<b>11. BORROWINGS</b>			
<b>Secured</b>			
Borrowings from the State Bank of Pakistan:			
- Long term financing facility (LTFF)	11.1	1,955,618	1,644,315
- Financing facility for storage of agricultural produce (FFSAP)	11.1	1,671	3,343
Repurchase agreement borrowings	11.2	23,777,858	22,837,748
Long term borrowings	11.3	5,614,427	5,972,387
Short term running finance	11.4	593,168	563,390
Bai Muajjal	11.5	1,296,869	9,696,507
		<b>33,239,611</b>	<b>40,717,690</b>
<b>Unsecured</b>			
Placements	11.6	1,564,000	1,540,000
Murabaha financing	11.7	3,350,000	2,350,000
		<b>38,153,611</b>	<b>44,607,690</b>

**11.1** 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 rate of return ranges from 2 to 6.25 percent per annum (2017: 2 to 6.25 percent per annum). These are repayable within 10 years (2017: 10 years).

**11.2** The rate of return on these repurchase agreement borrowings, maturing in July 2018 (2017: January 2018), ranges between 6.45 to 7 (2017: 5.83 to 5.90) percent per annum. Securities having cost of Rs 23,781 million (2017: Rs 23,205 million) have been pledged against these borrowings.

**11.3** The rate of return on these long-term borrowings ranges from 6.55 to 7.38 (2017: 6.44 to 6.65) percent per annum. The above facilities are secured against loan and advances receivables.

**11.4** The rate of return on these short-term running finance facilities is three month KIBOR + 0.25% (2017: three month KIBOR + 0.25%). The above facilities are secured against loan and advances receivables.

**11.5** These Bai Muajjal secured against government securities, maturing in April 2019 (2017: January 2018 to February 2018) and carrying rate of return 6.56 (2017: 5.75 to 5.84) percent per annum.

**11.6** The rates of return on these placements, maturing in July 2018 to August 2018 (2017: January 2018 to June 2018) ranges between 6.30 to 7 (2017: 6.15 to 6.25) percent per annum.

**11.7** The rates of return on these murabaha financing, maturing in July 2018 to September 2018 (2017: January 2018) ranges between 6.75 to 7 (2017: 6.15 to 6.50) percent per annum.

		(Un-Audited) 30 June 2018	(Audited) 31 December 2017
<b>12. DEPOSITS AND OTHER ACCOUNTS</b>			
Certificate of investments - remunerative (in local currency)			
Financial institutions		3,385,000	3,129,000
Others		7,065,694	7,372,149
		<b>10,450,694</b>	<b>10,501,149</b>

**12.1** The rate of return on these deposits maturing between July 2018 to June 2019 (2017: January 2018 to November 2018) is 3.90 to 7 (2017: 6 to 6.40) percent per annum.

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13. SHARE CAPITAL

13.1 Authorized capital

(Un-Audited) 30 June 2018	(Audited) 31 December 2017		(Un-Audited) 30 June 2018	(Audited) 31 December 2017
----- (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>

13.2 Issued, subscribed and paid - up capital

<u>615,000,000</u>	<u>615,000,000</u>	Ordinary shares of Rs. 10 each	<u>6,150,000</u>	<u>6,150,000</u>
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13.3 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 (2017: 307,495,900) ordinary shares of the Company, while 4,100 (2017: 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.

14. SURPLUS ON REVALUATION OF ASSETS - net of deferred tax

Surplus / (deficit) on revaluation of available-for-sale securities - net of tax

Federal Government Securities				
- Pakistan investment bonds			(10,527)	852
- Treasury bills (T-Bills)			(578)	(2,806)
			(11,105)	(1,954)
Shares-listed			-	-
Term Finance Certificates				
- Listed			6,047	7,085
- Unlisted			9,761	(1,032)
			15,808	6,053
Sukuk certificates			6,894	7,558
			11,597	11,657
Deferred tax asset recognized			(3,248)	(3,497)
			8,349	8,160

Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Revaluation of fixed assets / non-banking assets January 01,			79,114	83,352
Disposal during the period			(10,172)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year			(1,930)	(4,238)
			67,012	79,114
Less: Related deferred tax liability on:				
- Revaluation of fixed assets / non-banking assets during the period / year			(22,152)	(25,006)
- Disposal during the period			2,849	-
- Incremental depreciation charged during the period / year			540	1,272
			(18,763)	(23,734)
			48,249	55,380
			56,598	63,540

14.1 Surplus on revaluation of non-banking assets arising on the property located in Lahore having a market value of RS 374.538 million on valuation report Sep 08, 2016. The factors taken include the nature, physical condition of building & civil structure, location, market feedback, the property buying and selling activity, buyers' purchasing power, prevailing market conditions, return on investment, adverse factors, threats and opportunities of real estate industry, etc.

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(Un-Audited) (Audited)  
30 June 2018 31 December  
2017

**15. CONTINGENCIES AND COMMITMENTS**

(Rupees in '000)

**Transaction related contingent liability:**

Standby letter of credit	<b>189,190</b>	178,690
Pledge of shares on behalf of Japan Power Generation Limited - note 15.1	<b>70,726</b>	70,726
Pledge of shares on behalf of Orient Power Company (Private) Limited - note 15.2	<b>226,000</b>	226,000
Commitments for:		
Purchase of government securities	<b>19,467,204</b>	121,256
Sale of government securities	<b>18,500,982</b>	1,798,281
Purchase of Term finance certificates (TFCs)	-	76,548
Commitments for loans and advances and net investment in finance leases	<b>2,427,062</b>	3,740,991
Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited - note 15.3	<b>334,000</b>	626,000

**15.1** Shares in Japan Power Generation Limited (an associate) aggregating 17,622,878 (31 December 2017: 17,622,878) having a cost of Rs. 70.726 million (31 December 2017: Rs. 70.726 million) have been pledged as security on behalf of that associated company against a syndicate finance facility obtained by it.

**15.2** Shares in Orient Power Company (Private) Limited (related party) aggregating 22,600,000 (31 December 2017 : 22,600,000) having a cost of Rs.226 million (31 December 2017: Rs. 226 million) are pledged as security on behalf of Orient Power Company (Private) Limited (related party) against a syndicate finance facility obtained by Orient Power Company (Private) Limited (related party).

**15.3** PIBs having face value amounting to Rs. 334 million (2017: PIBs and T-Bill Rs 626 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).

**15.4** The Income tax Department has amended the deemed assessment orders for the tax years 2004, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017, 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.

**16. Other income**

	Half year ended	
	30 June 2018	30 June 2017
	----- (Rupees in '000) -----	
Gain on sale of non-banking assets	<b>17,381</b>	-
Gain on sale of property and equipment	<b>1,662</b>	288
	<b>19,043</b>	288

**17. BASIC AND DILUTED EARNINGS PER SHARE (Un-Audited)**

	Quarter ended		Half year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	----- (Rupees in '000) -----			
Profit after taxation (Rupees in '000)	<b>77,398</b>	147,539	<b>223,084</b>	283,034
Weighted average number of ordinary shares (in '000)	<b>615,000</b>	615,000	<b>615,000</b>	615,000
Basic and diluted earnings per share (Rupee)	<b>0.13</b>	0.24	<b>0.36</b>	0.46

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18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

30 June 2018 (Un-audited)

Note	HFT	Available for sale	HTM	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
----- (Rupees in '000) -----											
<b>Financial assets measured at fair value</b>											
- Investments											
	Government Securities	13,666,296	7,736,695	-	-	-	21,402,991	-	21,402,991	-	21,402,991
	Listed Term Finance Certificates	-	823,211	-	-	-	823,211	-	823,211	-	823,211
	Unlisted Term Finance Certificates	-	1,430,171	-	-	-	1,430,171	-	1,430,171	-	1,430,171
	Sukuk Certificates	-	626,737	-	-	-	626,737	-	626,737	-	626,737
	Commercial papers	-	49,290	-	-	-	49,290	-	49,290	-	49,290
- Associates											
	Listed shares	-	-	-	-	-	-	-	-	-	-
	Mutual funds	-	-	-	-	590,517	590,517	628,731	-	-	628,731
<b>Financial assets not measured at fair value</b>											
	- Cash and bank balances with treasury banks	18.1	-	-	169,180	-	169,180	-	-	-	-
	- Balances with other banks	18.1	-	-	1,468,568	-	1,468,568	-	-	-	-
	- Lendings to financial institutions	18.1	-	-	6,236,023	-	6,236,023	-	-	-	-
	- Unlisted shares	18.1	-	226,000	-	-	226,000	-	-	-	-
	- Associates - unlisted shares	18.1	-	-	-	384,708	384,708	-	-	-	-
	- Subsidiary - unlisted shares	18.1	-	-	-	340,925	340,925	-	-	-	-
	- Advances	18.1	-	-	22,260,328	-	22,260,328	-	-	-	-
	- Other assets	18.1	-	-	-	545,210	545,210	-	-	-	-
			13,666,296	10,892,104	-	30,134,099	1,861,360	-	-	-	56,553,859
<b>Financial liabilities not measured at fair value</b>											
	- Borrowings from financial institutions	18.1	-	-	-	-	38,153,611	-	-	-	38,153,611
	- Deposits and other accounts	18.1	-	-	-	-	10,450,694	-	-	-	10,450,694
	- Liabilities against assets subject to finance lease	18.1	-	-	-	-	1,167	-	-	-	1,167
	- Other liabilities	18.1	-	-	-	-	898,924	-	-	-	898,924
			-	-	-	-	-	-	49,504,396	-	49,504,396
			13,666,296	10,892,104	-	30,134,099	1,861,360	(49,504,396)	-	-	7,049,463

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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 December 2017 (Audited)										
									Fair value			
Note	HFT	Available for sale	HTM	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)												
<b>Financial assets measured at fair value</b>												
- Investments												
	Government Securities	23,851,239	11,670,376	-	-	-	35,521,615	-	35,521,615	-	35,521,615	
	Listed Term Finance Certificates	-	1,037,695	-	-	-	1,037,695	-	1,037,695	-	1,037,695	
	Unlisted Term Finance Certificates	-	1,299,982	-	-	-	1,299,982	-	1,299,982	-	1,299,982	
	Sukuk Certificates	-	712,599	-	-	-	712,599	-	712,599	-	712,599	
	Commercial papers	-	47,479	-	-	-	47,479	-	47,479	-	47,479	
	Listed shares	4,418	74,696	-	-	-	79,114	79,114	-	-	79,114	
- Associates												
	Listed shares	-	-	-	-	-	-	23,438	-	-	23,438	
	Mutual funds	-	-	-	-	590,517	590,517	641,389	-	-	641,389	
<b>Financial assets not measured at fair value</b>												
	- Cash and bank balances with treasury banks	18.1	-	-	169,886	-	169,886	-	-	-	169,886	
	- Balances with other banks	18.1	-	-	2,012,314	-	2,012,314	-	-	-	2,012,314	
	- Lendings to financial institutions	18.1	-	-	2,038,288	-	2,038,288	-	-	-	2,038,288	
	- Unlisted shares	18.1	-	226,000	-	-	226,000	-	-	-	226,000	
	- Associates - unlisted shares	18.1	-	-	-	384,708	384,708	-	-	-	384,708	
	- Subsidiary - unlisted shares	18.1	-	-	-	340,925	340,925	-	-	-	340,925	
	- Advances	18.1	-	-	18,788,493	-	18,788,493	-	-	-	18,788,493	
	- Other assets	18.1	-	-	-	370,165	370,165	-	-	-	370,165	
			23,855,657	15,068,827	-	23,008,981	1,686,315	-	-	-	63,619,780	
<b>Financial liabilities not measured at fair value</b>												
	- Borrowings from financial institutions	18.1	-	-	-	-	44,607,690	44,607,690	-	-	44,607,690	
	- Deposits and other accounts	18.1	-	-	-	-	10,501,149	10,501,149	-	-	10,501,149	
	- Liabilities against assets subject to finance lease	18.1	-	-	-	-	1,346	1,346	-	-	1,346	
	- Other liabilities	18.1	-	-	-	-	1,380,121	1,380,121	-	-	1,380,121	
			-	-	-	-	56,490,306	56,490,306	-	-	56,490,306	

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).

18.1 The Company has not disclosed the fair values for these financial assets and liabilities, as these are for short term or repriced over short term. Therefore their carrying amounts are reasonable approximation of fair value.

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19. **SEGMENT ANALYSIS WITH RESPECT TO BUSINESS ACTIVITIES (Un-Audited)**

19.1 The segment analysis with respect to business activities are as follows:

	Corporate Finance	Trading & Sales	Commercial Banking	Total
-----Rupees in '000-----				
<b>Half year ended 30 June 2018 (Un-Audited)</b>				
Total income	67,186	734,506	849,830	1,651,522
Total expense	63,052	694,394	479,815	1,237,261
Net income	<u>4,134</u>	<u>40,112</u>	<u>370,015</u>	<u>414,261</u>

**Half year ended 30 June  
2018 (Un-Audited)**

Segment assets	1,758,561	32,866,216	22,843,613	57,468,390
Segment liabilities	1,438,711	27,174,989	20,944,211	49,557,911
Segment non-performing loans	-	-	776,813	776,813
Investment provided for	542,431	664,391	-	1,206,822
Segment provisions required	542,431	303,017	667,792	1,513,240
Segment return on net assets %	2.58%	1.41%	38.96%	-
Segment return on assets (ROA) %	0.47%	0.24%	3.24%	-
Segment cost of funds %	5.25%	5.25%	4.97%	-

**Half year ended 30 June  
2017 (Un-Audited)**

Total income	66,034	1,288,399	709,082	2,063,515
Total expense	34,375	1,079,677	485,829	1,599,881
Net income	<u>31,659</u>	<u>208,722</u>	<u>223,253</u>	<u>463,634</u>

**Half year ended 30 June  
2017 (Un-Audited)**

Segment assets	1,560,503	51,907,370	20,474,923	73,942,796
Segment liabilities	1,333,307	45,139,889	19,339,035	65,812,231
Segment non-performing loans	-	-	1,074,097	1,074,097
Investment provided for	624,837	873,102	-	1,497,939
Segment provisions required	624,837	380,495	973,648	1,978,980
Segment return on net assets %	27.87%	6.17%	39.31%	-
Segment return on assets (ROA) %	4.06%	0.80%	2.18%	-
Segment cost of funds %	5.24%	5.24%	5.00%	-

(Un-Audited)

Half year ended

30 June	30 June
2018	2017

(Rupees in '000)

20. **CASH AND CASH EQUIVALENTS**

Cash and balances with treasury banks	169,180	96,084
Balances with other banks	<u>1,468,568</u>	<u>1,264,020</u>
	<u>1,637,748</u>	<u>1,360,104</u>

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**21. RELATED PARTY TRANSACTIONS**

**21.1** The Company has related party relationship with its associates, subsidiary, employee benefit plans and its key management personnel (including their associates). The details of investments in subsidiary and associates are stated in note 7 to this unconsolidated condensed interim financial information.

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

Related parties of the Company comprises of:

**Subsidiary**

-Pak Oman Asset Management Company Limited

**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

**Key management Personnel**

-All heads of departments  
 -Directors

**Retirement benefit fund**

-Defined benefit plan  
 -Defined contribution plan

**Other related party**

-Orient Power Company (Private) Limited

**21.2** Transactions between related parties during the period are as under:

Nature of related party transaction	30 June 2018 (Unaudited)				31 December 2017 (Audited)			
	As at 1 January 2018	Given during the period	Repaid during the period	As at 30 June 2018	As at 1 January 2017	Given during the year	Repaid during the year	As at 31 December 2017
	(Rupees in '000)							
<b>Investments</b>								
Subsidiary	498,300	-	-	498,300	498,300	-	-	498,300
Associates	1,045,951	-	-	1,045,951	1,045,951	-	-	1,045,951
Other related parties	226,000	-	-	226,000	226,000	-	-	226,000
	<u>1,770,251</u>	<u>-</u>	<u>-</u>	<u>1,770,251</u>	<u>1,770,251</u>	<u>-</u>	<u>-</u>	<u>1,770,251</u>
<b>Advances</b>								
Associates	68,200	-	-	68,200	68,200	-	-	68,200
Key Management personnel	32,399	20,695	(6,063)	47,031	36,040	9,221	(12,862)	32,399
Other related parties	114,232	-	(19,990)	94,242	150,533	-	(36,301)	114,232
	<u>214,831</u>	<u>20,695</u>	<u>(26,053)</u>	<u>209,473</u>	<u>254,773</u>	<u>9,221</u>	<u>(49,163)</u>	<u>214,831</u>
<b>Deposits</b>								
Associates	450,000	950,000	(1,300,000)	100,000	174,700	1,300,000	(1,024,700)	450,000
Key Management personnel	1,168	10,119	(9,745)	1,542	1,610	12,549	(12,991)	1,168
Retirement benefit funds	36,626	164,693	(200,314)	1,005	28,540	271,027	(262,941)	36,626
	<u>487,794</u>	<u>1,124,812</u>	<u>(1,510,059)</u>	<u>102,547</u>	<u>204,850</u>	<u>1,583,576</u>	<u>(1,300,632)</u>	<u>487,794</u>
							(Un-Audited)	(Audited)
							30 June 2018	31 December 2017
							(Rupees in '000)	
<b>Other receivable</b>								
Gratuity fund								7,309
Associates							18,305	-
							(Un-Audited)	
							Half year ended	
							30 June 2018	30 June 2017
							(Rupees in '000)	
<b>Mark-up income</b>								
Key Management personnel							1,034	768
Other related parties							4,574	6,301
<b>Dividend income</b>								
Associates							18,305	24,282
<b>Mark-up expense on Deposits</b>								
Associates							4,950	5,647
Key Management personnel							45	34
Retirement benefit funds							1,389	1,661
<b>Expenses for the period</b>								
Remuneration to key management personnel							168,345	157,484
Non-executive director's fee / remuneration							9,574	11,595
Charge for defined contribution plan							8,897	8,335
Charge for defined benefit plan							8,940	7,970
<b>Outright purchase of Government Securities</b>								
Subsidiary							115,646	-
Retirement benefit funds							-	1,971
Associates							4,978	-
<b>Outright sale of Government Securities</b>								
Subsidiary							231,070	-
Retirement benefit funds							-	1,971
Associates							276,088	575,544
<b>Capital gain on Government Securities</b>								
Subsidiary							-	-
Retirement benefit funds							-	-
Associates							2	-
<b>Capital gain on sale of shares</b>								
Associates							-	3

*ICM*

**22. CREDIT RATING**

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

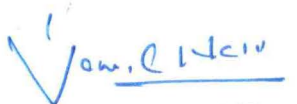
**23. GENERAL**

Amounts in this financial information have been rounded off to the nearest rupee in thousand except stated otherwise.

**24. DATE OF AUTHORISATION FOR ISSUE**

18 AUG 2018

This unconsolidated condensed interim financial information was authorised on \_\_\_\_\_ by the board of directors.



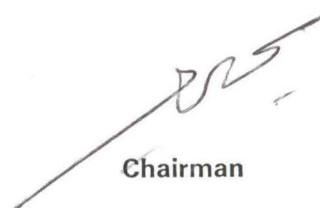
**Chief Financial Officer**



**Managing Director  
and Chief Executive**



**Managing Director  
and Chief Executive**



**Chairman**