

**PAK OMAN INVESTMENT  
COMPANY LIMITED**

**CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL INFORMATION  
(UN-AUDITED)**

**FOR THE FIRST QUARTER  
ENDED 31 MARCH 2016**

Pak Oman Investment Company Limited  
Consolidated Condensed Interim Statement of Financial Position  
As at 31 March 2016

| (Unaudited)<br>31 March<br>2016<br>------(US Dollars in '000)----- | (Audited)<br>31 December<br>2015 |  | Note | (Unaudited)<br>31 March<br>2016<br>------(Rupees in '000)----- | (Audited)<br>31 December<br>2015 |
|--|----------------------------------|--|------|--|----------------------------------|
| <b>ASSETS</b>  |                                  |  |      |  |                                  |
| 552  | 895                              | Cash and balances with treasury banks                  |      | 57,867   | 93,746                           |
| 4,420  | 16,578                           | Balances with other banks                              |      | 463,011  | 1,736,674                        |
| 3,781  | 3,464                            | Lendings to financial institutions                     |      | 396,099  | 362,824                          |
| 222,908  | 132,658                          | Investments -net                                       | 7    | 23,350,660   | 13,896,511                       |
| 105,419  | 95,427                           | Advances -net  | 8    | 11,043,106   | 9,996,425                        |
| 803  | 794                              | Operating fixed assets                                 | 9    | 84,164   | 83,174                           |
| 2,435  | 3,155                            | Deferred tax assets -net                               | 10   | 255,074  | 330,528                          |
| 4,977  | 6,223                            | Other assets   |      | 521,407  | 651,938                          |
| <b>345,295</b>   | <b>259,194</b>                   |  |      | <b>36,171,388</b>  | <b>27,151,820</b>                |
| <b>LIABILITIES</b>   |                                  |  |      |  |                                  |
| -  | -                                | Bills payable  |      | -  | -                                |
| 227,931  | 138,222                          | Borrowings   | 11   | 23,876,859   | 14,479,440                       |
| 32,072   | 38,279                           | Deposits and other accounts                            | 12   | 3,359,669  | 4,009,860                        |
| -  | -                                | Sub-ordinated loans                                    |      | -  | -                                |
| 18   | 19                               | Liabilities against assets subject to finance lease    |      | 1,924  | 1,973                            |
| -  | -                                | Deferred tax liabilities                               |      | -  | -                                |
| 8,046  | 5,234                            | Other liabilities                                      |      | 842,966  | 548,402                          |
| <b>268,067</b>   | <b>181,754</b>                   |  |      | <b>28,081,418</b>  | <b>19,039,675</b>                |
| <b>77,228</b>  | <b>77,440</b>                    | <b>NET ASSETS</b>                                      |      | <b>8,089,970</b>   | <b>8,112,145</b>                 |
| <b>REPRESENTED BY</b>  |                                  |  |      |  |                                  |
| 58,709   | 58,709                           | Share capital  | 13   | 6,150,000  | 6,150,000                        |
| 8,560  | 8,050                            | Reserves   |      | 896,657  | 843,304                          |
| 5,499  | 6,814                            | Unappropriated profit                                  |      | 576,094  | 713,763                          |
| 72,768   | 73,573                           |  |      | 7,622,751  | 7,707,067                        |
| 96   | 97                               | Non controlling interest                               |      | 10,046   | 10,119                           |
| 72,864   | 73,670                           |  |      | 7,632,797  | 7,717,186                        |
| 4,364  | 3,770                            | Surplus on revaluation of assets - net of deferred tax | 14   | 457,173  | 394,959                          |
| <b>77,228</b>  | <b>77,440</b>                    |  |      | <b>8,089,970</b>   | <b>8,112,145</b>                 |
| <b>CONTINGENCIES AND COMMITMENTS</b> 15                            |                                  |  |      |  |                                  |

The annexed notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director  
and Chief Executive

Managing Director  
and Chief Executive

Chairman

Pak Oman Investment Company Limited  
Consolidated Condensed Interim Profit and Loss Account (Un-Audited)  
For the first quarter ended 31 March 2016

| 31 March<br>2016<br>------(US Dollars in '000)----- | 31 March<br>2015 | Note | 31 March<br>2016<br>------(Rupees in '000)----- | 31 March<br>2015 |
|---|------------------|------|---|------------------|
| 5,638   | 5,593            |      | 590,560   | 585,907          |
| 3,298   | 3,571            |      | 345,509   | 374,108          |
| 2,340   | 2,022            |      | 245,051   | 211,799          |
| (777)   | (277)            |      | (81,419)  | (28,989)         |
| 10  | 77               |      | 1,092   | 8,020            |
| -   | -                |      | -   | -                |
| (767)   | (200)            |      | (80,327)  | (20,969)         |
| 3,107   | 2,222            |      | 325,378   | 232,768          |
| <b>NON MARK-UP/INTEREST INCOME</b>                  |                  |      |   |                  |
| 177   | 51               |      | 18,506  | 5,351            |
| 134   | 145              |      | 14,023  | 15,234           |
| -   | -                |      | -   | -                |
| 1,420   | 3,023            |      | 148,714   | 316,660          |
| 307   | (166)            |      | -   | -                |
| 1   | 4                |      | 32,207  | (17,352)         |
| 2,039   | 3,057            |      | 67  | 375              |
| 5,146   | 5,279            |      | 213,517   | 320,268          |
| <b>NON MARK-UP/INTEREST EXPENSES</b>                |                  |      |   |                  |
| 1,294   | 943              |      | 135,592   | 98,816           |
| -   | -                |      | -   | -                |
| 54  | 87               |      | 5,704   | 9,087            |
| 1,348   | 1,030            |      | 141,296   | 107,903          |
| 3,798   | 4,249            |      | 397,599   | 445,133          |
| 212   | (31)             |      | 22,230  | (3,211)          |
| -   | -                |      | -   | -                |
| 4,010   | 4,218            |      | 419,829   | 441,922          |
| <b>PROFIT BEFORE TAXATION</b>                       |                  |      |   |                  |
| 866   | 1,502            |      | 90,707  | 157,368          |
| -   | -                |      | -   | -                |
| 425   | (24)             |      | 44,511  | (2,558)          |
| 1,291   | 1,478            |      | 135,218   | 154,810          |
| 2,719   | 2,740            |      | 284,611   | 287,112          |
| <b>PROFIT ATTRIBUTABLE TO:</b>                      |                  |      |   |                  |
| 2,720   | 2,740            |      | 284,684   | 287,112          |
| (1)   | -                |      | (73)  | -                |
| 2,719   | 2,740            |      | 284,611   | 287,112          |
| ----- US Dollar -----                               |                  |      | -----Rupee-----                                 |                  |
| US \$ 0.0044  | US \$ 0.0045     | 16   | 0.46  | 0.47             |

The annexed notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director  
and Chief Executive

Managing Director  
and Chief Executive

Chairman

**Pak Oman Investment Company Limited**  
**Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the first quarter ended 31 March 2016*

| <b>31 March<br/>2016</b>  | 31 March<br>2015 |  | <b>31 March<br/>2016</b>            | 31 March<br>2015   |     |       |     |   |  |               |                 |               |   |        |          |        |
|---|------------------|--|-------------------------------------|--|-----|-------|-----|---|--|---------------|-----------------|---------------|---|--------|----------|--------|
| ----- <b>(US Dollars in '000)</b> -----   |                  |  | ----- <b>(Rupees in '000)</b> ----- |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <b>2,719</b>  | 2,740            | <b>Profit after taxation</b>   | <b>284,611</b>                      | 287,112  |     |       |     |   |  |               |                 |               |   |        |          |        |
|   |                  | <b>Other comprehensive income</b>  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
|   |                  | Items that will not be reclassified subsequently<br>to profit and loss account | -                                   | -  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <u><b>2,719</b></u>   | <u>2,740</u>     |  | <u><b>284,611</b></u>               | <u>287,112</u>   |     |       |     |   |  |               |                 |               |   |        |          |        |
|   |                  | <b>Comprehensive income transferred<br/>to equity attributable to:</b>         |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <b>2,720</b>  | 2,740            | Shareholders of the holding company  | <b>284,684</b>                      | 287,112  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <b>(1)</b>  | -                | Non-controlling interest   | <b>(73)</b>                         | -  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <u><b>2,719</b></u>   | <u>2,740</u>     | <b>Comprehensive income transferred to equity</b>                              | <u><b>284,611</b></u>               | <u>287,112</u>   |     |       |     |   |  |               |                 |               |   |        |          |        |
|   |                  | <b>Component of comprehensive income<br/>not transferred to equity</b>         |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: center;">889</td></tr><tr><td style="text-align: center;">(295)</td></tr><tr><td style="text-align: center;"><b>594</b></td></tr></table> | 889              | (295)  | <b>594</b>                          | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: center;">947</td></tr><tr><td style="text-align: center;">(142)</td></tr><tr><td style="text-align: center;">805</td></tr></table> | 947 | (142) | 805 | Surplus / (deficit) on revaluation of 'available for<br>sale' investments | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: center;"><b>93,157</b></td></tr><tr><td style="text-align: center;"><b>(30,943)</b></td></tr><tr><td style="text-align: center;"><b>62,214</b></td></tr></table> | <b>93,157</b> | <b>(30,943)</b> | <b>62,214</b> | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: center;">99,250</td></tr><tr><td style="text-align: center;">(14,865)</td></tr><tr><td style="text-align: center;">84,385</td></tr></table> | 99,250 | (14,865) | 84,385 |
| 889   |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| (295)   |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <b>594</b>  |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| 947   |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| (142)   |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| 805   |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <b>93,157</b>   |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <b>(30,943)</b>   |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <b>62,214</b>   |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| 99,250  |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| (14,865)  |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| 84,385  |                  |  |                                     |  |     |       |     |   |  |               |                 |               |   |        |          |        |
| <u><b>3,313</b></u>   | <u>3,545</u>     | <b>Total comprehensive income</b>  | <u><b>346,825</b></u>               | <u>371,497</u>   |     |       |     |   |  |               |                 |               |   |        |          |        |

The annexed notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

**Chief Financial Officer**

**Managing Director  
and Chief Executive**

**Managing Director  
and Chief Executive**

**Chairman**

Pak Oman Investment Company Limited  
Consolidated Condensed Interim Cash Flow Statement (Un-Audited)  
For the first quarter ended 31 March 2016

| 31 March<br>2016                                      | 31 March<br>2015 |   | 31 March<br>2016            | 31 March<br>2015   |
|---|------------------|---|-----------------------------|--------------------|
| ------(US Dollars in '000)-----                       |                  |   | ------(Rupees in '000)----- |                    |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>            |                  |   |                             |                    |
| 4,010   | 4,218            | Profit before taxation  | 419,829                     | 441,922            |
| 134   | 145              | Less: Dividend income   | 14,023                      | 15,234             |
| <u>3,876</u>  | <u>4,073</u>     |   | <u>405,806</u>              | <u>426,688</u>     |
| <b>Adjustments for non-cash charges</b>               |                  |   |                             |                    |
| 67  | 43               | Depreciation  | 7,061                       | 4,526              |
| -   | -                | Amortisation of intangible assets   | 20                          | 50                 |
| (307)   | 166              | Unrealised (gain) / loss on revaluation of investments classified as 'held-for-trading' | (32,207)                    | 17,352             |
| -   | (4)              | (Gain) on sale of fixed assets  | -                           | (375)              |
| (212)   | 31               | Share of loss from associates - net of tax  | (22,230)                    | 3,211              |
| (777)   | (277)            | (Reversal) of provision against non-performing advances                                 | (81,419)                    | (28,989)           |
| 10  | 77               | Provision for diminution in the value of investments                                    | 1,092                       | 8,020              |
| <u>(1,219)</u>  | <u>36</u>        |   | <u>(127,683)</u>            | <u>3,795</u>       |
| <u>2,657</u>  | <u>4,109</u>     |   | <u>278,123</u>              | <u>430,483</u>     |
| <b>(Increase) / decrease in operating assets</b>      |                  |   |                             |                    |
| (318)   | (6,889)          | Lendings to financial institutions  | (33,275)                    | (721,705)          |
| (90,978)  | (45,669)         | Net investments in held-for-trading securities  | (9,530,356)                 | (4,784,006)        |
| (9,214)   | (7,731)          | Advances  | (965,262)                   | (809,819)          |
| 1,197   | 1,568            | Other assets  | 125,441                     | 164,306            |
| <u>(99,313)</u>                                       | <u>(58,721)</u>  |   | <u>(10,403,452)</u>         | <u>(6,151,224)</u> |
| <b>Increase / (decrease) in operating liabilities</b> |                  |   |                             |                    |
| -   | -                | Bills payable   | -                           | -                  |
| 89,709  | 54,719           | Borrowings  | 9,397,419                   | 5,732,067          |
| (6,207)   | (12,284)         | Deposits and other accounts   | (650,191)                   | (1,286,808)        |
| (712)   | (610)            | Other liabilities   | (74,436)                    | (63,996)           |
| <u>82,790</u>   | <u>41,825</u>    |   | <u>8,672,792</u>            | <u>4,381,263</u>   |
| <u>(13,866)</u>                                       | <u>(12,787)</u>  |   | <u>(1,452,537)</u>          | <u>(1,339,478)</u> |
| (714)   | (618)            | Income tax paid   | (74,745)                    | (64,742)           |
| <u>(14,580)</u>                                       | <u>(13,405)</u>  | Net cash (used in) operating activities   | <u>(1,527,282)</u>          | <u>(1,404,220)</u> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>            |                  |   |                             |                    |
| 4,312   | 11,133           | Net proceeds from / (investments in) available-for-sale securities                      | 451,709                     | 1,166,218          |
| (2,186)   | -                | Investments in associates   | (229,000)                   | -                  |
| 30  | 257              | Dividend received   | 3,151                       | 26,908             |
| (77)  | (23)             | Investments in operating fixed assets   | (8,071)                     | (2,401)            |
| -   | 4                | Sale proceeds of property and equipment disposed-off                                    | -                           | 375                |
| <u>2,079</u>  | <u>11,371</u>    | Net cash from investing activities  | <u>217,789</u>              | <u>1,191,100</u>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>            |                  |   |                             |                    |
| -   | (1)              | Payment of lease obligation   | (49)                        | (92)               |
| <u>(12,501)</u>                                       | <u>(2,035)</u>   | (Decrease) in cash and cash equivalents   | <u>(1,309,542)</u>          | <u>(213,212)</u>   |
| <u>17,473</u>   | <u>3,766</u>     | Cash and cash equivalents at the beginning of the period                                | <u>1,830,420</u>            | <u>394,556</u>     |
| <u>4,972</u>  | <u>1,731</u>     | <b>Cash and cash equivalents at the end of the period</b>                               | <u>520,878</u>              | <u>181,344</u>     |

18

The annexed notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director  
and Chief Executive

Managing Director  
and Chief Executive

Chairman

Pak Oman Investment Company Limited  
 Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)  
 For the first quarter ended 31 March 2016

|  | Issued,<br>subscribed<br>and paid up<br>capital | Reserves             |                    | Unappropriated<br>profit | Sub Total        | Non controlling<br>Interest | Total            |
|--|---|----------------------|--------------------|--------------------------|------------------|-----------------------------|------------------|
|  |   | Statutory<br>reserve | General<br>reserve |                          |                  |                             |                  |
| ------(Rupees in '000)-----                                      |   |                      |                    |                          |                  |                             |                  |
| <b>Balance as at 01 January 2015</b>                             | <b>6,150,000</b>                                | <b>711,180</b>       | <b>11,630</b>      | <b>544,142</b>           | <b>7,416,952</b> | <b>10,959</b>               | <b>7,427,911</b> |
| <b>Total Comprehensive income</b>                                |   |                      |                    |                          |                  |                             |                  |
| Net profit after tax for the first quarter ended 31 March 2015   | -   | -                    | -                  | 287,112                  | 287,112          | -                           | 287,112          |
| Other comprehensive income - net of tax                          | -   | -                    | -                  | -                        | -                | -                           | -                |
| Total comprehensive income                                       | -   | -                    | -                  | 287,112                  | 287,112          | -                           | 287,112          |
| <b>Transfers</b>   |   |                      |                    |                          |                  |                             |                  |
| Transfer to statutory reserve                                    | -   | 59,036               | -                  | (59,036)                 | -                | -                           | -                |
| <b>Transactions with owners recognised directly in equity</b>    |   |                      |                    |                          |                  |                             |                  |
| Dividend for the year ended 31 December 2014 (Re 0.40 per share) | -   | -                    | -                  | (246,000)                | (246,000)        | -                           | (246,000)        |
| <b>Balance as at 31 March 2015</b>                               | <b>6,150,000</b>                                | <b>770,216</b>       | <b>11,630</b>      | <b>526,218</b>           | <b>7,458,064</b> | <b>10,959</b>               | <b>7,469,023</b> |
| <b>Balance as at 01 January 2016</b>                             | <b>6,150,000</b>                                | <b>831,674</b>       | <b>11,630</b>      | <b>713,763</b>           | <b>7,707,067</b> | <b>10,119</b>               | <b>7,717,186</b> |
| <b>Total Comprehensive income</b>                                |   |                      |                    |                          |                  |                             |                  |
| Net profit after tax for the first quarter ended 31 March 2016   | -   | -                    | -                  | 284,684                  | 284,684          | (73)                        | 284,611          |
| Other comprehensive income - net of tax                          | -   | -                    | -                  | -                        | -                | -                           | -                |
| Total comprehensive income                                       | -   | -                    | -                  | 284,684                  | 284,684          | (73)                        | 284,611          |
| <b>Transfers</b>   |   |                      |                    |                          |                  |                             |                  |
| Transfer to statutory reserve                                    | -   | 53,353               | -                  | (53,353)                 | -                | -                           | -                |
| <b>Transaction with owners recognised directly in equity</b>     |   |                      |                    |                          |                  |                             |                  |
| Dividend for the year ended 31 December 2015 (Re 0.60 per share) | -   | -                    | -                  | (369,000)                | (369,000)        | -                           | (369,000)        |
| <b>Balance as at 31 March 2016</b>                               | <b>6,150,000</b>                                | <b>885,027</b>       | <b>11,630</b>      | <b>576,094</b>           | <b>7,622,751</b> | <b>10,046</b>               | <b>7,632,797</b> |

The annexed notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director  
and Chief Executive

Managing Director  
and Chief Executive

Chairman

Pak Oman Investment Company Limited  
Notes to the Consolidated Condensed Interim Financial Information (Un-Audited)  
For the first quarter ended 31 March 2016

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

The Group is principally engaged in 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, asset management and investment advisory services. Brief profile of the holding company and its subsidiary is as follows:

**1.1 Holding Company**

Pak-Oman Investment Company Limited (the "holding company" or "POICL" or "parent") was incorporated as a private limited company on July 23, 2001. Subsequently, on March 17, 2004 the holding 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 objectives of the holding company 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. Its registered office is situated at 1st Floor, Tower A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan. The holding company operates a branch at Lahore and other representative offices at Islamabad, Gwadar and Muscat. The holding company is designated as a development financial institution (DFI) under the BPD Circular No. 35 dated October 28, 2003 issued by the State

**1.1.2 Subsidiary Company**

Pak-Oman Asset Management Company Limited (the "subsidiary company" or "POAMCL") was incorporated in Pakistan under the Companies Ordinance, 1984 on July 28, 2006 as an unlisted public limited company having its registered office at Horizon Vista, Mezzanine Floor-2, Plot No Com-10, Scheme-5, Block 4 Clifton, Karachi, Pakistan. POAMCL obtained certificate of commencement of business on October 31, 2006. The principal activities of the company include investment advisory and asset management services.

**1.2 The Group's Associates are as follows:**

| Entity                                   | Country of incorporation | Nature of business   | Holding %     |                  |
|--|--------------------------|--|---------------|------------------|
|  |                          |  | 31 March 2016 | 31 December 2015 |
| Pak Oman Microfinance Bank Limited       | Pakistan                 | Incorporated under the Companies Ordinance, 1984 and is engaged in providing microfinance services to the poor and underserved segment of the society. | <b>33.40</b>  | 33.40            |
| Pak Oman Advantage Islamic Income Fund   | Pakistan                 | Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.                         | <b>96.23</b>  | 96.50            |
| Pak Oman Islamic Asset Allocation fund   | Pakistan                 | Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.                         | <b>97.92</b>  | 99.96            |
| Pak Oman Advantage Asset Allocation Fund | Pakistan                 | Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.                         | <b>99.99</b>  | 99.98            |
| Pak Oman Government Securities Fund      | Pakistan                 | Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.                         | <b>56.37</b>  | 99.09            |
| Japan Power Generation Limited           | Pakistan                 | Incorporated under the Companies Ordinance, 1984 and is engaged in generation of power and its supply to WAPDA.  | <b>19.59</b>  | 19.59            |

## 2. BASIS OF PRESENTATION AND CONSOLIDATION

### 2.1 Basis of presentation

2.1.1 This consolidated condensed interim financial information has been prepared from the information available in the unaudited unconsolidated condensed interim financial information of the holding company for the first quarter ended 31 March 2016 and the unaudited financial statements of POAMCL for the nine months ended 31 March 2016. The accounting policies used by POAMCL and associates in preparation of their respective financial statements are consistent with that of the holding company except for the accounting policy for investments.

2.1.2 The associates have been accounted for in this consolidated condensed interim financial information under the equity method of accounting on the respective basis as follows:

| Entity                                      | Source of information  |
|---|--|
| Japan Power Generation Limited (JPGL)       | Unaudited financial statements for the six months ended 31 December 2015 |
| Pak Oman Microfinance Bank Limited (POMFBL) | Unaudited financial statements for the first quarter ended 31 March 2016 |
| Pak Oman Advantage Islamic Income Fund      | Unaudited financial statements for the nine months ended 31 March 2016   |
| Pak Oman Islamic Asset Allocation Fund      | Unaudited financial statements for the nine months ended 31 March 2016   |
| Pak Oman Advantage Asset Allocation fund    | Unaudited financial statements for the nine months ended 31 March 2016   |
| Pak Oman Government Securities Fund         | Unaudited financial statements for the nine months ended 31 March 2016   |

2.1.3 The disclosures made in this condensed interim consolidated financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, this consolidated condensed interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2015.

2.1.4 The US dollar amounts shown in the consolidated condensed interim statement of financial position, consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated 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 104.7548 = 1 US dollar for the first quarter ended 31 March 2016 and the corresponding period.

## 3. STATEMENT OF COMPLIANCE

This consolidated condensed interim financial information of the group have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 – Interim Financial Reporting, provisions of the Companies Ordinance, 1984 and directives issued by Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984 and the said directives shall prevail.

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 IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks and NBFs. 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 consolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

The SECP through a notification no. SRO 56(1)/2016 dated 28 January 2016, directed that the requirements of consolidation under section 237 of the Companies Ordinance, 1984 and IFRS 10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust Structure. Accordingly, the aforesaid requirements have not been considered in the preparation of these consolidated financial statements.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2015.

## 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates / judgments and associated assumptions used in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2015.

## 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2015.

## 7. INVESTMENTS - net

| Note  | 31 March 2016 (Un-audited) |                     |            | 31 December 2015 (Audited) |                     |            |
|---|----------------------------|---------------------|------------|----------------------------|---------------------|------------|
|   | Held by the Group          | Given as collateral | Total      | Held by the Group          | Given as collateral | Total      |
| ------(Rupees in '000)-----                                 |                            |                     |            |                            |                     |            |
| <b>7.1 Investments by types</b>                             |                            |                     |            |                            |                     |            |
| <b>Held-for-trading securities</b>                          |                            |                     |            |                            |                     |            |
|   | 215,402                    | 3,017,200           | 3,232,602  | 181,573                    | 243,056             | 424,629    |
| Pakistan investment bonds                                   |                            |                     |            |                            |                     |            |
| Ijara sukuk certificates                                    | 50,369                     | -                   | 50,369     | -                          | -                   | -          |
| Market treasury bills (T-Bills)                             | 665,714                    | 6,552,209           | 7,217,923  | 247,051                    | 215,250             | 462,301    |
| Listed ordinary shares                                      | 22,097                     | -                   | 22,097     | 110,705                    | -                   | 110,705    |
| Sukuk certificates  | 5,000                      | -                   | 5,000      | -                          | -                   | -          |
| Term finance certificates (TFCs)                            | 34,950                     | -                   | 34,950     | 34,950                     | -                   | 34,950     |
|   | 993,532                    | 9,569,409           | 10,562,941 | 574,279                    | 458,306             | 1,032,585  |
| <b>Available-for-sale securities</b>                        |                            |                     |            |                            |                     |            |
|   | 192,814                    | 5,058,733           | 5,251,547  | 111,455                    | 7,513,935           | 7,625,390  |
| Pakistan investment bonds                                   |                            |                     |            |                            |                     |            |
| Ijara sukuk certificates                                    | 250,162                    | -                   | 250,162    | 300,000                    | -                   | 300,000    |
| Market treasury bills (T-Bills)                             | 259,093                    | 1,907,077           | 2,166,170  | 74,201                     | 144,555             | 218,756    |
| Listed ordinary shares                                      | 653,626                    | -                   | 653,626    | 682,716                    | -                   | 682,716    |
| Unlisted ordinary shares                                    | 121,333                    | 226,000             | 347,333    | 121,333                    | 226,000             | 347,333    |
| Sukuk certificates  | 1,230,829                  | -                   | 1,230,829  | 966,619                    | -                   | 966,619    |
| Term finance certificates (TFCs)                            | 2,005,516                  | -                   | 2,005,516  | 2,233,215                  | -                   | 2,233,215  |
| 7.2   | 4,713,373                  | 7,191,810           | 11,905,183 | 4,489,539                  | 7,884,490           | 12,374,029 |
| <b>Associates</b>   |                            |                     |            |                            |                     |            |
|   | -                          | -                   | -          | -                          | -                   | -          |
| Japan Power Generation Limited                              |                            |                     |            |                            |                     |            |
| Pak Oman Advantage Islamic Income Fund                      | 193,645                    | -                   | 193,645    | 97,832                     | -                   | 97,832     |
| Pak Oman Islamic Asset Allocation Fund                      | 117,281                    | -                   | 117,281    | 112,161                    | -                   | 112,161    |
| Pak Oman Advantage Asset Allocation Fund                    | 157,984                    | -                   | 157,984    | 103,179                    | -                   | 103,179    |
| Pak Oman Government Securities Fund                         | 346,412                    | -                   | 346,412    | 251,378                    | -                   | 251,378    |
| Pak Oman Microfinance Bank Limited                          | 359,868                    | -                   | 359,868    | 359,045                    | -                   | 359,045    |
|   | 1,175,190                  | -                   | 1,175,190  | 923,595                    | -                   | 923,595    |
| <b>Investments at cost</b>                                  |                            |                     |            |                            |                     |            |
|   | 6,882,095                  | 16,761,219          | 23,643,314 | 5,987,413                  | 8,342,796           | 14,330,209 |
| Less: Provision for diminution in the value of investments  |                            |                     |            |                            |                     |            |
|   | 981,228                    | -                   | 981,228    | 997,273                    | -                   | 997,273    |
| <b>Investments - net of provisions</b>                      |                            |                     |            |                            |                     |            |
|   | 5,900,867                  | 16,761,219          | 22,662,086 | 4,990,140                  | 8,342,796           | 13,332,936 |
| Gain / (loss) on revaluation of held-for-trading securities |                            |                     |            |                            |                     |            |
|   | 6,340                      | 19,948              | 26,288     | (6,701)                    | 782                 | (5,919)    |
| Surplus on revaluation of available-for-sale securities     |                            |                     |            |                            |                     |            |
| 14  | (21,627)                   | 683,913             | 662,286    | 15,335                     | 554,159             | 569,494    |
| <b>Total investments at carrying value</b>                  |                            |                     |            |                            |                     |            |
|   | 5,885,580                  | 17,465,080          | 23,350,660 | 4,998,774                  | 8,897,737           | 13,896,511 |

7.2 As per the terms of the Share Transfer and Debt Swap Agreement, Agritech Limited shares shall be held by the respective trustees for the TFC issues in their names for and on behalf of the TFC Holders who shall be the beneficial owners of the subject shares in proportion to their holdings. The Trustees for the TFC issue are authorised pursuant to shareholders investors agreement to hold the said ordinary shares for and on behalf of TFC holders for a period of five years from the date of

|   | (Un-audited)<br>31 March<br>2016 | (Audited)<br>31 December<br>2015 |
|---|----------------------------------|----------------------------------|
| ----- (Rupees in '000) -----                |                                  |                                  |
| <b>8. ADVANCES - net</b>                    |                                  |                                  |
| Loans in Pakistan                           | 9,923,407                        | 9,151,174                        |
| Net investment in finance lease in Pakistan | 1,952,742                        | 1,759,713                        |
| <b>Advances - gross</b>                     | <b>11,876,149</b>                | 10,910,887                       |
| Less: Provision for non-performing advances | (833,043)                        | (914,462)                        |
| <b>Advances - net of provision</b>          | <b>11,043,106</b>                | 9,996,425                        |

8.1 Advances include amount aggregating Rs. 1,105.931 million (31 December 2015: Rs. 1,193.866 million), which have been placed under the non-performing status as detailed below:

| 31 March 2016 (Un-audited) |                              |          |                  |                    |                |
|----------------------------|------------------------------|----------|------------------|--------------------|----------------|
| Category of classification | Domestic                     | Overseas | Total            | Provision required | Provision held |
|                            | ----- (Rupees in '000) ----- |          |                  |                    |                |
| Substandard                | 302,691                      | -        | 302,691          | 73,519             | 73,519         |
| Doubtful                   | -                            | -        | -                | -                  | -              |
| Loss                       | 803,240                      | -        | 803,240          | 759,524            | 759,524        |
|                            | <b>1,105,931</b>             | -        | <b>1,105,931</b> | <b>833,043</b>     | <b>833,043</b> |
| 31 December 2015 (Audited) |                              |          |                  |                    |                |
| Category of classification | Domestic                     | Overseas | Total            | Provision required | Provision held |
|                            | ----- (Rupees in '000) ----- |          |                  |                    |                |
| Substandard                | 310,823                      | -        | 310,823          | 75,135             | 75,135         |
| Doubtful                   | -                            | -        | -                | -                  | -              |
| Loss                       | 883,043                      | -        | 883,043          | 839,327            | 839,327        |
|                            | <b>1,193,866</b>             | -        | <b>1,193,866</b> | <b>914,462</b>     | <b>914,462</b> |

8.2 In accordance with BSD Circular No. 2 dated 27 January 2009 issued by the SBP, the holding company has availed the benefit of FSV against the non-performing advances and term finance certificates. As of 31 March 2016, the holding company has availed total accumulated FSV benefit amounting to Rs. 99.391 million (net of tax Rs. 69.574 million). Accordingly, accumulated profit of Rs. 69.574 million (net of transfer to statutory reserves Rs. 55.659 million) will not be available for the distribution as cash or stock dividend to the shareholders / bonus to employees of the holding company as required by the aforementioned SBP directives.

**9. OPERATING FIXED ASSETS**

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

**Owned**

|                          | <b>683</b>   | 66    |
|--------------------------|--------------|-------|
| Office equipment         | <b>345</b>   | -     |
| Computer equipment       | -            | 100   |
| Furniture and fixture    | <b>3,270</b> | 1,822 |
| Vehicles                 | <b>3,773</b> | 413   |
| Capital work in progress | <b>8,071</b> | 2,401 |

**(Un-Audited)**  
**First quarter ended**  
**31 March 2016**                      31 March 2015  
 -----(Rupees in '000)-----

**10. DEFERRED TAX ASSETS - net**

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

|   |                |         |
|---|----------------|---------|
| Provision for diminution in the value of investments      | <b>262,265</b> | 271,007 |
| Amortisation of premium on federal government securities  | <b>9,129</b>   | 7,281   |
| Assets subject to finance leases                          | <b>25</b>      | 10      |
| Accelerated tax depreciation allowances                   | <b>1,413</b>   | 204     |
| Revaluation on investments classified as held-for-trading | <b>(7,771)</b> | 720     |
| Provision against non-performing loans and advances       | <b>249,913</b> | 283,483 |
|   | <b>514,974</b> | 562,705 |

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

|   |                  |           |
|---|------------------|-----------|
| Revaluation on investments classified as available-for-sale | <b>(205,554)</b> | (174,611) |
| Dividend receivable   | <b>(1,132)</b>   | -         |
| Net investment in finance leases                            | <b>(53,214)</b>  | (57,566)  |
|   | <b>(259,900)</b> | (232,177) |
|   | <b>255,074</b>   | 330,528   |

**(Un-Audited)**                      **(Audited)**  
**31 March 2016**                      31 December 2015  
 -----(Rupees in '000)-----



(Un-Audited) (Audited)  
**31 March 2016** 31 December 2015  
 -----(Rupees in '000)-----

**12. DEPOSITS AND OTHER ACCOUNTS**

|   |                  |                  |
|---|------------------|------------------|
| Certificate of investments - remunerative (in local currency) | 685,700          | 985,726          |
| Financial institutions  | 2,673,969        | 3,024,134        |
| Others  | <u>3,359,669</u> | <u>4,009,860</u> |

**12.1** The rate of return on deposits maturing between April 2016 to May 2017 (2015: January 2016 to May 2017) is 6.05 to 12 (2015: 6.05 to 12) percent per annum.

**13. SHARE CAPITAL**

**13.1 Authorized capital**

|                               | (Un-Audited)<br>31 March 2016 | (Audited)<br>31 December 2015 |                                 |                   |                   |
|-------------------------------|-------------------------------|-------------------------------|---------------------------------|-------------------|-------------------|
| ------(Number of shares)----- |                               |                               |                                 |                   |                   |
|                               | <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> |
|--|--------------------|--------------------|---------------------------------|------------------|------------------|

**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 (2014: 307,495,900) ordinary shares of the Company, while 4,100 (2015: 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 deferred tax**

|  |                |                |
|--|----------------|----------------|
| Federal Government Securities  |                |                |
| - Pakistan investment bonds  | 697,628        | 556,031        |
| - Ijara sukuk certificates   | 2,488          | 3,390          |
| - Treasury bills (T-Bills)   | (162)          | 5              |
|  | <u>699,954</u> | <u>559,426</u> |
| Shares-listed  | (45,791)       | 12,076         |
| Term Finance Certificates  |                |                |
| - Listed   | (1,714)        | (3,491)        |
| - Unlisted   | 4,261          | 4,414          |
|  | <u>2,547</u>   | <u>923</u>     |
| Sukuk certificates   | <u>5,576</u>   | <u>(2,931)</u> |
|  | <u>662,286</u> | <u>569,494</u> |
| Deferred tax asset recognized  | (205,554)      | (174,611)      |
|  | <u>456,732</u> | <u>394,883</u> |
| Associate's share of deficit of revaluation of available-for-sale securities | 441            | 76             |
|  | <u>457,173</u> | <u>394,959</u> |

| <b>(Un-Audited)</b>         | <b>(Audited)</b>   |
|-----------------------------|--------------------|
| <b>31 March</b>             | <b>31 December</b> |
| <b>2016</b>                 | <b>2015</b>        |
| ------(Rupees in '000)----- |                    |

## 15. CONTINGENCIES AND COMMITMENTS

|  |                  |           |
|--|------------------|-----------|
| Underwriting Commitments   | <b>175,000</b>   | -         |
| 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>369,985</b>   | -         |
| Sale of government securities  | <b>1,313,662</b> | -         |
| Purchase of shares under put option  | <b>10,385</b>    | 10,385    |
| Commitments for loans, advances and net investment in finance leases             | <b>3,366,820</b> | 1,412,393 |
| Commitments for operating fixed assets   | <b>5,000</b>     | -         |

**15.1** Shares in Japan Power Generation Limited (an associate) aggregating 17,622,878 (31 December 2015: 17,622,878) having a cost of Rs. 70.726 million (31 December 2015: 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 2015: 22,600,000) having a cost of Rs.226 million (31 December 2015: 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** The Income tax Department has amended the deemed assessment orders for the tax years 2004, 2009, 2010, 2011, 2012 and 2013, 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 holding 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. Management estimates that sufficient provisions have been made and no further provision is required.

## 16. BASIC AND DILUTED EARNINGS PER SHARE (Un-Audited)

|  | <b>First quarter ended</b> |                 |
|--|----------------------------|-----------------|
|  | <b>31 March</b>            | <b>31 March</b> |
|  | <b>2016</b>                | <b>2015</b>     |
| Profit attributable to shareholders (Rupees in '000) | <b>284,684</b>             | 287,112         |
| Weighted average number of ordinary shares (in '000) | <b>615,000</b>             | 615,000         |
| Basic and diluted earnings per share (Rupee)         | <b>0.46</b>                | 0.47            |

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

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

|  | Corporate<br>Finance | Trading &<br>Sales | Commercial<br>Banking | Asset<br>Management | Total          |
|--|----------------------|--------------------|-----------------------|---------------------|----------------|
| ----- (Rupees in '000) -----                           |                      |                    |                       |                     |                |
| <b>First quarter ended March 31, 2016 (Un-Audited)</b> |                      |                    |                       |                     |                |
| Total income   | 6,307                | 551,028            | 259,135               | 9,837               | 826,307        |
| Total expense  | 22,324               | 264,672            | 108,585               | 10,897              | 406,478        |
| Net income   | <u>(16,017)</u>      | <u>286,356</u>     | <u>150,550</u>        | <u>(1,060)</u>      | <u>419,829</u> |
| <b>First quarter ended March 31, 2016 (Un-Audited)</b> |                      |                    |                       |                     |                |
| Segment assets -net                                    | -                    | 24,496,184         | 11,431,930            | 243,274             | 36,171,388     |
| Segment Liabilities                                    | -                    | 18,925,766         | 9,143,665             | 11,987              | 28,081,418     |
| Segment non performing loans                           | -                    | -                  | 1,105,931             | -                   | 1,105,931      |
| Investments provided for                               | -                    | 1,168,598          | -                     | -                   | 1,168,598      |
| Segment provision required                             | -                    | 981,228            | 833,043               | -                   | 1,814,271      |
| Segment return on net assets (%)                       | -                    | 20.56%             | 26.32%                | -1.8%               | -              |
| Segment return on assets (ROA) %                       | -                    | 4.68%              | 5.27%                 | -1.7%               | -              |
| Segment cost of funds (%)                              | -                    | 4.83%              | 4.89%                 | -                   | -              |
| <b>First quarter ended March 31, 2015 (Un-Audited)</b> |                      |                    |                       |                     |                |
| Total income   | 2,635                | 638,044            | 262,285               | -                   | 902,964        |
| Total expense  | 17,270               | 267,448            | 176,324               | -                   | 461,042        |
| Net income   | <u>(14,635)</u>      | <u>370,596</u>     | <u>85,961</u>         | <u>-</u>            | <u>441,922</u> |
| <b>First quarter ended March 31, 2015 (Un-Audited)</b> |                      |                    |                       |                     |                |
| Segment assets -net                                    | -                    | 17,824,584         | 10,330,049            | 30,706              | 28,185,339     |
| Segment Liabilities                                    | -                    | 12,404,521         | 7,918,201             | 8,341               | 20,331,063     |
| Segment non performing loans                           | -                    | -                  | 956,958               | -                   | 956,958        |
| Investments provided for                               | -                    | 1,257,055          | -                     | -                   | 1,257,055      |
| Segment provision required                             | -                    | 850,770            | 864,925               | -                   | 1,715,695      |
| Segment return on net assets (%)                       | -                    | 27.35%             | 14.26%                | -                   | -              |
| Segment return on assets (ROA) %                       | -                    | 8.32%              | 3.33%                 | -                   | -              |
| Segment cost of funds (%)                              | -                    | 6.56%              | 6.71%                 | -                   | -              |

|                                       | <b>(Un-Audited)</b>        |                          |
|---------------------------------------|----------------------------|--------------------------|
|                                       | <b>First quarter ended</b> |                          |
|                                       | <b>31 March<br/>2016</b>   | <b>31 March<br/>2015</b> |
| ----- (Rupees in '000) -----          |                            |                          |
| <b>18. CASH AND CASH EQUIVALENTS</b>  |                            |                          |
| Cash and balances with treasury banks | <b>57,867</b>              | 72,851                   |
| Balances with other banks             | <b>463,011</b>             | 108,493                  |
|                                       | <u><b>520,878</b></u>      | <u>181,344</u>           |

**19. RELATED PARTY TRANSACTIONS**

19.1 The Group has related party relationship with its associates, employee benefit plans, its key management personnel (including their associates). The details of investments in associates are stated in note 7 to this consolidated 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 per market rates.

Related parties of the Group comprises of :

**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 head of departments
- Directors

**Retirement benefit fund**

- Defined benefit plan
- Defined contribution plan

**Other related party**

- Orient Power Company (Private) Limited

19.2 Transactions between related parties during the period are as under:

| Nature of related party transaction               | (Unaudited)<br>31 March 2016 |                            |                           |                        | (Audited)<br>31 December 2015 |                            |                               |                               |
|---|------------------------------|----------------------------|---------------------------|------------------------|-------------------------------|----------------------------|-------------------------------|-------------------------------|
|   | As at<br>1 January 2016      | Given during<br>the period | Repaid during<br>the year | As at<br>31 March 2016 | As at<br>1 January 2015       | Given during<br>the period | Repaid during<br>the period   | As at<br>31 December 2015     |
| ------(Rupees in '000)-----                       |                              |                            |                           |                        |                               |                            |                               |                               |
| <b>Investments</b>                                |                              |                            |                           |                        |                               |                            |                               |                               |
| Associates  | 923,595                      | 251,595                    | -                         | 1,175,190              | 1,051,527                     | 219,000                    | (346,932)                     | 923,595                       |
| Other related parties                             | 226,000                      | -                          | -                         | 226,000                | 226,000                       | -                          | -                             | 226,000                       |
|   | <b>1,149,595</b>             | <b>251,595</b>             | <b>-</b>                  | <b>1,401,190</b>       | <b>1,277,527</b>              | <b>219,000</b>             | <b>(346,932)</b>              | <b>1,149,595</b>              |
| <b>Advances</b>                                   |                              |                            |                           |                        |                               |                            |                               |                               |
| Associates  | 68,200                       | -                          | -                         | 68,200                 | 68,200                        | -                          | -                             | 68,200                        |
| Key Management personnel                          | 49,225                       | 600                        | (3,743)                   | 46,082                 | 49,859                        | 19,973                     | (20,607)                      | 49,225                        |
| Other related parties                             | 182,429                      | -                          | (7,591)                   | 174,838                | 210,454                       | -                          | (28,025)                      | 182,429                       |
|   | <b>299,854</b>               | <b>600</b>                 | <b>(11,334)</b>           | <b>289,120</b>         | <b>328,513</b>                | <b>19,973</b>              | <b>(48,632)</b>               | <b>299,854</b>                |
| <b>Deposits</b>                                   |                              |                            |                           |                        |                               |                            |                               |                               |
| Associates  | 535,926                      | 117,337                    | (277,563)                 | 375,700                | 732,747                       | 592,926                    | (789,747)                     | 535,926                       |
| Key Management personnel                          | 2,149                        | 1,890                      | (2,149)                   | 1,890                  | 4,988                         | 19,198                     | (22,037)                      | 2,149                         |
| Retirement benefit funds                          | 5,358                        | 23,570                     | (5,358)                   | 23,570                 | -                             | 36,555                     | (31,197)                      | 5,358                         |
|   | <b>543,433</b>               | <b>142,797</b>             | <b>(285,070)</b>          | <b>401,160</b>         | <b>737,735</b>                | <b>648,679</b>             | <b>(842,981)</b>              | <b>543,433</b>                |
|   |                              |                            |                           |                        |                               |                            | (Un-Audited)<br>31 March 2016 | (Audited)<br>31 December 2015 |
|   |                              |                            |                           |                        |                               |                            | ------(Rupees in '000)-----   |                               |
| <b>Other payable</b>                              |                              |                            |                           |                        |                               |                            |                               |                               |
| Gratuity fund                                     |                              |                            |                           |                        |                               |                            | -                             | 8,961                         |
|   |                              |                            |                           |                        |                               |                            | (Un-Audited)<br>31 March 2016 | (Audited)<br>31 March 2015    |
|   |                              |                            |                           |                        |                               |                            | ------(Rupees in '000)-----   |                               |
| <b>Mark-up income</b>                             |                              |                            |                           |                        |                               |                            |                               |                               |
| Key Management personnel                          |                              |                            |                           |                        |                               |                            | 536                           | 600                           |
| Other related parties                             |                              |                            |                           |                        |                               |                            | 4,230                         | 6,660                         |
| <b>Mark-up expense on Deposits</b>                |                              |                            |                           |                        |                               |                            |                               |                               |
| Associates  |                              |                            |                           |                        |                               |                            | 8,319                         | 16,614                        |
| Key Management personnel                          |                              |                            |                           |                        |                               |                            | 31                            | 130                           |
| Retirement benefit funds                          |                              |                            |                           |                        |                               |                            | 113                           | 113                           |
| <b>Expenses for the period</b>                    |                              |                            |                           |                        |                               |                            |                               |                               |
| Remuneration to key management personnel          |                              |                            |                           |                        |                               |                            | 80,142                        | 49,374                        |
| Non-executive director's fee / remuneration       |                              |                            |                           |                        |                               |                            | 4,253                         | 3,371                         |
| Charge for defined contribution plan              |                              |                            |                           |                        |                               |                            | 4,995                         | 3,546                         |
| Charge for defined benefit plan                   |                              |                            |                           |                        |                               |                            | 5,259                         | 3,157                         |
| <b>Outright purchase of Government Securities</b> |                              |                            |                           |                        |                               |                            |                               |                               |
| Retirement benefit funds                          |                              |                            |                           |                        |                               |                            | 176,457                       | 23,388                        |
| <b>Outright sale of Government Securities</b>     |                              |                            |                           |                        |                               |                            |                               |                               |
| Retirement benefit funds                          |                              |                            |                           |                        |                               |                            | 176,238                       | -                             |
| <b>Capital gain on Government Securities</b>      |                              |                            |                           |                        |                               |                            |                               |                               |
| Retirement benefit funds                          |                              |                            |                           |                        |                               |                            | 7                             | -                             |
| <b>Capital gain on Mutual funds</b>               |                              |                            |                           |                        |                               |                            |                               |                               |
| Associates  |                              |                            |                           |                        |                               |                            | -                             | 4,858                         |

**20. 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.

**21. GENERAL**

Figures have been rounded off to the nearest rupee in thousand.

**22. DATE OF AUTHORISATION FOR ISSUE**

This consolidated condensed interim financial information was authorised on 30 April 2016 by the board of directors of the holding Company.

**Chief Financial Officer**

**Managing Director  
and Chief Executive**

**Managing Director  
and Chief Executive**

**Chairman**