

**PAK OMAN INVESTMENT  
COMPANY LIMITED**

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

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

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

31 March 2016 -----(US Dollars in '000)-----	31 December 2015		Note	(Un-audited) 31 March 2016 ------(Rupees in '000)-----	(Audited) 31 December 2015
<b>ASSETS</b>					
552	895	Cash and balances with treasury banks		57,839	93,725
4,405	15,149	Balances with other banks		461,448	1,586,956
3,781	3,464	Lendings to financial institutions		396,099	362,824
223,102	134,346	Investments - net	7	23,370,964	14,073,356
105,390	95,397	Advances - net	8	11,040,078	9,993,263
795	786	Operating fixed assets	9	83,332	82,316
2,886	3,621	Deferred tax assets -net	10	302,287	379,314
4,602	5,946	Other assets		482,084	622,875
<b>345,513</b>	<b>259,604</b>			<b>36,194,131</b>	<b>27,194,629</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		-	-
7,932	5,139	Other liabilities		830,979	538,270
<b>267,953</b>	<b>181,659</b>			<b>28,069,431</b>	<b>19,029,543</b>
<b>77,560</b>	<b>77,945</b>			<b>8,124,700</b>	<b>8,165,086</b>
<b>NET ASSETS</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
5,931	7,416	Unappropriated profit		621,311	776,899
73,200	74,175			7,667,968	7,770,203
4,360	3,770	Surplus on revaluation of assets - net of deferred tax	14	456,732	394,883
<b>77,560</b>	<b>77,945</b>			<b>8,124,700</b>	<b>8,165,086</b>
<b>CONTINGENCIES AND COMMITMENTS</b>					
15					

The annexed notes from 1 to 22 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 Profit and Loss Account (Un-Audited)  
For the first quarter ended 31 March 2016

31 March 2016	31 March 2015		Note	31 March 2016	31 March 2015
-----US Dollars in '000'-----				-----Rupees in '000'-----	
5,612	5,593	Mark-up/return/interest earned		587,861	585,907
3,298	3,571	Mark-up/return/interest expensed		345,509	374,108
<u>2,314</u>	<u>2,022</u>	<b>Net mark-up/ interest income</b>		<u>242,352</u>	<u>211,799</u>
(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
-	-	Bad debts written off directly		-	-
(767)	(200)			(80,327)	(20,969)
<u>3,081</u>	<u>2,222</u>	<b>Net mark-up/ interest income after provisions</b>		<u>322,679</u>	<u>232,768</u>
<b>NON MARK-UP/INTEREST INCOME</b>					
151	51	Fee, commission and brokerage income		15,821	5,351
134	145	Dividend income		14,023	15,234
-	-	Income from dealing in foreign currency		-	-
1,418	3,069	Gain on sale of securities		148,541	321,518
308	(166)	Unrealised gain / (loss) on revaluation of investments classified as 'held-for-trading' securities		32,261	(17,352)
-	4	Other income		-	375
<u>2,011</u>	<u>3,103</u>	<b>Total non -mark up/interest income</b>		<u>210,646</u>	<u>325,126</u>
5,092	5,325			533,325	557,894
<b>NON MARK-UP/INTEREST EXPENSES</b>					
1,190	943	Administrative expenses		124,695	98,816
-	-	Other write offs / provisions		-	-
54	87	Other charges		5,704	9,087
<u>1,244</u>	<u>1,030</u>	<b>Total non-mark up/interest expenses</b>		<u>130,399</u>	<u>107,903</u>
3,848	4,295			402,926	449,991
-	-	Extra ordinary /unusual items		-	-
<u>3,848</u>	<u>4,295</u>	<b>PROFIT BEFORE TAXATION</b>		<u>402,926</u>	<u>449,991</u>
860	1,502	Taxation - current		90,077	157,368
-	-	- prior		-	-
440	(24)	- deferred		46,084	(2,558)
<u>1,300</u>	<u>1,478</u>			<u>136,161</u>	<u>154,810</u>
<u>2,548</u>	<u>2,817</u>	<b>PROFIT AFTER TAXATION</b>		<u>266,765</u>	<u>295,181</u>
----- US Dollar -----				-----Rupees-----	
<u>0.0041</u>	<u>0.0046</u>	Basic and diluted earnings per share	16	<u>0.43</u>	<u>0.48</u>

The annexed notes from 1 to 22 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 Comprehensive Income (Un-Audited)**

*For the first quarter ended 31 March 2016*

31 March 2016	31 March 2015		31 March 2016	31 March 2015
----- (US Dollars in '000) -----			(Rupees in '000)	
2,548	2,817	<b>PROFIT AFTER TAXATION</b>	266,765	295,181
		<b>Other comprehensive income</b>		
		Items that will not be reclassified subsequently to profit and loss account	-	-
<u>2,548</u>	<u>2,817</u>	<b>Comprehensive income transferred to equity</b>	<u>266,765</u>	<u>295,181</u>
		<b>Component of comprehensive income not transferred to equity</b>		
886	947	Surplus / (deficit) on revaluation of 'available for sale' investments	92,792	99,250
(295)	(142)	Related tax impact	(30,943)	(14,865)
591	805		61,849	84,385
<u>3,139</u>	<u>3,622</u>	<b>Total comprehensive income</b>	<u>328,614</u>	<u>379,566</u>

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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 first quarter ended 31 March 2016

31 March 2016 ------(US Dollars in '000)-----	31 March 2015		Note	31 March 2016 ------(Rupees in '000)-----	31 March 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
3,848	4,295	Profit before taxation		402,926	449,991
134	145	Less: Dividend income		14,023	15,234
<u>3,714</u>	<u>4,150</u>			<u>388,903</u>	<u>434,757</u>
<b>Adjustments for non-cash charges</b>					
66	43	Depreciation		6,947	4,526
-	-	Amortisation of intangible assets		20	50
(308)	166	Unrealised (gain) / loss on revaluation of investments classified as 'held-for-trading' securities		(32,261)	17,352
-	(4)	Loss / (Gain) on sale of fixed assets		-	(375)
(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>(1,009)</u>	<u>5</u>			<u>(105,621)</u>	<u>584</u>
<u>2,705</u>	<u>4,155</u>			<u>283,282</u>	<u>435,341</u>
<b>(Increase) / decrease in operating assets</b>					
(318)	(6,889)	Lendings to financial institutions		(33,275)	(721,705)
(90,930)	(45,669)	Net Investments in held-for-trading securities		(9,525,356)	(4,784,006)
(9,216)	(7,731)	Advances		(965,396)	(809,819)
1,295	1,568	Other assets		135,701	164,306
<u>(99,169)</u>	<u>(58,721)</u>			<u>(10,388,326)</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)
(728)	(610)	Other liabilities		(76,291)	(63,996)
<u>82,774</u>	<u>41,825</u>			<u>8,670,937</u>	<u>4,381,263</u>
<u>(13,690)</u>	<u>(12,741)</u>			<u>(1,434,107)</u>	<u>(1,334,620)</u>
(708)	(618)	Income tax paid		(74,115)	(64,742)
<u>(14,398)</u>	<u>(13,359)</u>	Net cash (used in ) operating activities		<u>(1,508,222)</u>	<u>(1,399,362)</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
(955)	(46)	Investment in associates		(100,000)	(4,858)
30	257	Dividend income received		3,151	26,908
(76)	(23)	Investments in operating fixed assets		(7,983)	(2,401)
-	4	Sale proceeds on sale of fixed assets disposed off		-	375
<u>3,311</u>	<u>11,325</u>	Net cash from investing activities		<u>346,877</u>	<u>1,186,242</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
-	(1)	Payment of lease obligation		(49)	(92)
(11,087)	(2,035)	(Decrease) in cash and cash equivalents		(1,161,394)	(213,212)
16,044	3,762	Cash and cash equivalents at beginning of the period		1,680,681	394,085
<u>4,957</u>	<u>1,727</u>	<b>Cash and cash equivalents at the end of the period</b>	18	<u>519,287</u>	<u>180,873</u>

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Chief Financial Officer

Managing Director  
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Managing Director  
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Chairman

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

	Issued, subscribed and paid up capital	Reserves		Unappropriated profit	Total
		Statutory reserve	General 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>545,915</b>	<b>7,418,725</b>
<b>Total comprehensive income</b>					
Net profit after tax for the first quarter ended 31 March 2015	-	-	-	295,181	295,181
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	295,181	295,181
<b>Transfers</b>					
Transfer to statutory reserve	-	59,036	-	(59,036)	-
<b>Transaction with owners recognised directly in equity</b>					
Dividend for the year ended 31 December 2014 (Re. 0.40 per share)	-	-	-	(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>536,060</b>	<b>7,467,906</b>
<b>Balance as at 01 January 2016</b>	<b>6,150,000</b>	<b>831,674</b>	<b>11,630</b>	<b>776,899</b>	<b>7,770,203</b>
<b>Total comprehensive income</b>					
Net profit after tax for the first quarter ended 31 March 2016	-	-	-	266,765	266,765
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	266,765	266,765
<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)
<b>Balance as at 31 March 2016</b>	<b>6,150,000</b>	<b>885,027</b>	<b>11,630</b>	<b>621,311</b>	<b>7,667,968</b>

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Managing Director  
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Chairman

# Pak Oman Investment Company Limited

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

*For the first quarter ended 31 March 2016*

### **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 2015.

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. 104.7548 = 1 US dollar for the first quarter ended 31 March 2016 and the corresponding period.

### **3. STATEMENT OF COMPLIANCE**

This unconsolidated condensed interim financial information of the Company have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 – Interim Financial Reporting, provisions of the Companies Ordinance, 1984, directives issued by the 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 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.

**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 2015.

**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 2015.

**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 2015.

7. INVESTMENTS - net

Note	31 March 2016 (Un-audited)			31 December 2015 (Audited)		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
----- (Rupees in '000) -----						
<b>7.1 Investments by types</b>						
<b>Held-for-trading securities</b>						
Pakistan investment bonds	215,402	3,017,200	3,232,602	181,573	243,056	424,629
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
	<b>953,582</b>	<b>9,569,409</b>	<b>10,522,991</b>	<b>539,329</b>	<b>458,306</b>	<b>997,635</b>
<b>Available-for-sale securities</b>						
Pakistan investment bonds	192,814	5,058,733	5,251,547	111,455	7,513,935	7,625,390
Market treasury bills (T-Bills)	259,093	1,907,077	2,166,170	74,201	144,555	218,756
Ijara sukuk certificates	250,162	-	250,162	300,000	-	300,000
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
	<b>4,713,373</b>	<b>7,191,810</b>	<b>11,905,183</b>	<b>4,489,539</b>	<b>7,884,490</b>	<b>12,374,029</b>
<b>Associates</b>						
Japan Power Generation Limited	51,921	70,726	122,647	51,921	70,726	122,647
Pak Oman Microfinance Bank Limited	384,708	-	384,708	384,708	-	384,708
Pak Oman Advantage Islamic Income Fund	165,025	-	165,025	65,025	-	65,025
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>1,027,146</b>	<b>70,726</b>	<b>1,097,872</b>	<b>927,146</b>	<b>70,726</b>	<b>997,872</b>
<b>Subsidiary</b>						
Pak Oman Asset Management Company Limited	398,300	-	398,300	398,300	-	398,300
<b>Investments at cost</b>	<b>7,092,401</b>	<b>16,831,945</b>	<b>23,924,346</b>	<b>6,354,314</b>	<b>8,413,522</b>	<b>14,767,836</b>
Less: Provision for diminution in the value of investments	1,182,115	59,271	1,241,386	1,198,160	59,271	1,257,431
<b>Investments - net of provisions</b>	<b>5,910,286</b>	<b>16,772,674</b>	<b>22,682,960</b>	<b>5,156,154</b>	<b>8,354,251</b>	<b>13,510,405</b>
Gain / (loss) on revaluation of held-for-trading securities	5,770	19,948	25,718	(7,325)	782	(6,543)
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>	<b>5,894,429</b>	<b>17,476,535</b>	<b>23,370,964</b>	<b>5,164,164</b>	<b>8,909,192</b>	<b>14,073,356</b>

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 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 transfer.

<b>8. ADVANCES - net</b>	<b>(Un-audited)</b> <b>31 March</b> <b>2016</b>	<b>(Audited)</b> <b>31 December</b> <b>2015</b>
	----- (Rupees in '000) -----	
Loans in Pakistan	<b>9,920,379</b>	9,148,012
Net investment in finance lease in Pakistan	<b>1,952,742</b>	1,759,713
<b>Advances - gross</b>	<b>11,873,121</b>	10,907,725
Less: Provision for non-performing advances	<b>(833,043)</b>	(914,462)
<b>Advances - net of provision</b>	<b>11,040,078</b>	9,993,263

**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:

<b>31 March 2016 (Un-audited)</b>					
<b>Category of classification</b>	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>	<b>Provision required</b>	<b>Provision held</b>
	----- (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>-</b>	<b>1,105,931</b>	<b>833,043</b>	<b>833,043</b>

  

<b>31 December 2015 (Audited)</b>					
<b>Category of classification</b>	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>	<b>Provision required</b>	<b>Provision held</b>
	----- (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>-</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 Company has availed the benefit of FSV against the non-performing advances and term finance certificates. As of 31 March 2016, the 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 Company as required by the aforementioned SBP directives.

<b>(Un-Audited)</b>	
<b>First quarter ended</b>	
<b>31 March 2016</b>	<b>31 March 2015</b>
------(Rupees in '000)-----	

## 9. OPERATING FIXED ASSETS

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

### Owned

Office equipment	683	66
Computer equipment	257	-
Furniture and fixture	-	100
Vehicles	3,270	1,822
Capital work in progress	3,773	413
	<b>7,983</b>	<b>2,401</b>

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

## 10. DEFERRED TAX ASSETS - net

### Deferred tax assets arising in respect of:

Provision for diminution in the value of investments	309,478	319,793
Amortisation of premium on federal government securities	9,129	7,281
Assets subject to finance leases	25	10
Accelerated tax depreciation allowances	1,413	204
Revaluation on investments classified as held-for-trading	(7,771)	720
Provision against non-performing loans and advances	249,913	283,483
	<b>562,187</b>	<b>611,491</b>

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

Revaluation on investments classified as available-for-sale	(205,554)	(174,611)
Dividend receivable	(1,132)	-
Net investment in finance leases	(53,214)	(57,566)
	<b>(259,900)</b>	<b>(232,177)</b>
	<b>302,287</b>	<b>379,314</b>

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

## 11. BORROWINGS

### Secured

Borrowings from the State Bank of Pakistan:			
- Long term financing facility (LTFF)	11.1	205,437	226,709
- Financing facility for storage of agricultural produce (FFSAP)	11.1	9,195	10,031
Repurchase agreement borrowings	11.2	17,152,049	9,006,240
Long term borrowings	11.3	2,308,333	1,550,000
Short term running finance	11.4	387,793	187,460
		<u>20,062,807</u>	<u>10,980,440</u>

### Unsecured

Placements	11.5	1,114,052	799,000
Murabaha financing	11.6	2,700,000	2,700,000
		<u>23,876,859</u>	<u>14,479,440</u>

- 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 6.25 to 10.10 percent per annum (2015: 6.25 to 10.10 percent per annum). These are repayable within 6.5 years (2015: 7 years)
- 11.2** The rate of return on these repurchase agreement borrowings, maturing in April 2016 (2015: January 2016), ranges between 6.05 to 6.50 (2015: 6.20 to 6.45) percent per annum. Securities having cost of Rs 16,535.219 million (2015: Rs 8,479.620 million) have been pledged against these borrowings.
- 11.3** The rate of return on these long-term borrowings ranges from 6.66 to 6.86 (2015: 6.83 to 7.54) percent per annum. The above facilities are secured against loan and advances receivable.
- 11.4** The rate of return on these short-term running finance facilities is three month KIBOR + 0.25% (2015: three month KIBOR + 0.25%). The above facility are secured against loan and advances receivable.
- 11.5** The rates of return on these placements, maturing in April 2016 to June 2016 (2015: January to February 2016) ranges between 5.35 to 6.75 (2015: 6.10 to 7) percent per annum.
- 11.6** The rates of return on these murabaha financing, maturing in April to May 2016 (2015: January 2016) ranges between 6.35 to 6.40 (2015: 6.25 to 6.35) percent per annum.

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

**12. DEPOSITS AND OTHER ACCOUNTS**

Certificate of investments - remunerative (in local currency)		
Financial institutions	<b>685,700</b>	985,726
Others	<b>2,673,969</b>	3,024,134
	<b><u>3,359,669</u></b>	<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)	(Audited)	
	<b>31 March 2016</b>	31 December 2015	
	------(Number of shares)-----		
	<b><u>1,000,000,000</u></b>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each
			<b><u>10,000,000</u></b> <u>10,000,000</u>

**13.2 Issued, subscribed and paid - up capital**

	<b><u>615,000,000</u></b>	<u>615,000,000</u>	Ordinary shares of Rs. 10 each
			<b><u>6,150,000</u></b> <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 (2014: 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	<b>697,628</b>	556,031
- Ijara sukuk certificates	<b>2,488</b>	3,390
- Treasury bills (T-Bills)	<b>(162)</b>	5
	<b>699,954</b>	559,426
Shares-listed	<b>(45,791)</b>	12,076
Term Finance Certificates		
- Listed	<b>(1,714)</b>	(3,491)
- Unlisted	<b>4,261</b>	4,414
	<b>2,547</b>	923
Sukuk certificates	<b>5,576</b>	(2,931)
	<b>662,286</b>	569,494
Deferred tax asset recognized	<b>(205,554)</b>	(174,611)
	<b><u>456,732</u></b>	<u>394,883</u>



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

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

	Corporate Finance	Trading & Sales	Commercial Banking	Total
-----Rupees in '000-----				
<b>First quarter ended 31 March 2016 (Un-Audited)</b>				
Total income	6,307	533,065	259,135	798,507
Total expense	22,324	264,672	108,585	395,581
Net income	<u>(16,017)</u>	<u>268,393</u>	<u>150,550</u>	<u>402,926</u>

**First quarter ended 31 March  
2016 (Un-Audited)**

Segment assets	-	24,762,201	11,431,930	36,194,131
Segment liabilities	-	18,925,766	9,143,665	28,069,431
Segment non-performing loans	-	-	1,105,931	1,105,931
Investment provided for	-	1,689,545	-	1,689,545
Segment provisions required	-	1,241,386	833,043	2,074,429
Segment return on net assets %	-	18.39%	26.32%	-
Segment return on assets (ROA) %	-	4.34%	5.27%	-
Segment cost of funds %	-	4.83%	4.89%	-

**First quarter ended 31 March  
2015 (Un-Audited)**

Total income	2,635	638,044	270,354	911,033
Total expense	17,270	267,448	176,324	461,042
Net income	<u>(14,635)</u>	<u>370,596</u>	<u>94,030</u>	<u>449,991</u>

**First quarter ended 31 March  
2015 (Un-Audited)**

Segment assets	-	17,838,410	10,330,049	28,168,459
Segment liabilities	-	12,404,521	7,918,201	20,322,722
Segment non-performing loans	-	-	956,958	956,958
Investment provided for	-	1,548,002	-	1,548,002
Segment provisions required	-	1,110,447	864,925	1,975,372
Segment return on net assets %	-	27.28%	15.59%	-
Segment return on assets (ROA) %	-	8.31%	3.64%	-
Segment cost of funds %	-	6.56%	6.71%	-

**18. CASH AND CASH EQUIVALENTS**

Cash and balances with treasury banks  
Balances with other banks

<b>(Un-Audited)</b>	
<b>First quarter ended</b>	
<b>31 March 2016</b>	31 March 2015
-----Rupees in '000-----	
<b>57,839</b>	72,828
<b>461,448</b>	108,045
<b>519,287</b>	180,873

## **19. RELATED PARTY TRANSACTIONS**

**19.1** 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 per market rates.

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

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

Nature of related party transaction	(Unaudited) 31 March 2016				(Audited) 31 December 2015			
	As at 01-Jan-16	Given during the year	Repaid during the year	As at 31-Mar-16	As at 01-Jan-15	Given during the year	Repaid during the year	As at 31-Dec-15
----- (Rupees in '000) -----								
<b>Investments</b>								
Subsidiary	398,300	-	-	398,300	168,300	230,000	-	398,300
Associates	997,872	100,000	-	1,097,872	1,099,342	193,500	(294,970)	997,872
Other related parties	226,000	-	-	226,000	226,000	-	-	226,000
	<b>1,622,172</b>	<b>100,000</b>	<b>-</b>	<b>1,722,172</b>	<b>1,493,642</b>	<b>423,500</b>	<b>(294,970)</b>	<b>1,622,172</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) 31 March 2016	(Audited) 31 December 2015
							----- (Rupees in '000) -----	
<b>Other payable</b>								
Gratuity fund							-	8,961
							(Un-Audited) First quarter ended 31 March 2016	(Audited) 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							77,022	49,374
Non-executive director's fee / remuneration							4,253	3,371
Charge for defined contribution plan							4,704	3,546
Charge for defined benefit plan							5,259	3,157
<b>Outright purchase of Government Securities</b>								
Retirement benefit funds							176,457	-
<b>Outright sale of Government Securities</b>								
Subsidiary							108,960	-
Retirement benefit funds							176,238	23,388
<b>Capital gain on Government Securities</b>								
Subsidiary							(73)	-
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 unconsolidated condensed interim financial information was authorised on 30 April 2016 by the board of directors.

**Chief Financial Officer**

**Managing Director  
and Chief Executive**

**Managing Director  
and Chief Executive**

**Chairman**