

**PAK OMAN INVESTMENT
COMPANY LIMITED**

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

**FOR THE FIRST QUARTER
ENDED MARCH 31, 2015**

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2015

March 31, 2015 ------(US Dollars in '000)-----	December 31, 2014		Note	March 31, 2015 ------(Rupees in '000)-----	Restated December 31, 2014
ASSETS					
734	1,001	Cash and balances with treasury banks		74,797	102,021
8,044	9,623	Balances with other banks		820,065	980,986
13,495	6,025	Lendings to financial institutions		1,375,782	614,177
154,806	118,595	Investments -net	7	15,781,531	12,090,049
99,369	91,085	Advances -net	8	10,130,100	9,285,610
878	899	Operating fixed assets	9	89,459	91,694
3,388	3,573	Deferred tax assets -net	10	345,379	364,238
5,352	7,643	Other assets		545,644	779,122
286,066	238,444			29,162,757	24,307,897
LIABILITIES					
-	-	Bills payable		-	-
143,223	86,996	Borrowings		14,600,797	8,868,730
42,802	54,795	Deposits and other accounts	11	4,363,459	5,586,042
-	-	Sub-ordinated loans		-	-
4	5	Liabilities against assets subject to finance lease		396	488
-	-	Deferred tax liabilities		-	-
7,816	5,611	Other liabilities		796,720	571,910
193,845	147,407			19,761,372	15,027,170
92,221	91,037	NET ASSETS		9,401,385	9,280,727
REPRESENTED BY					
60,327	60,327	Share capital	12	6,150,000	6,150,000
7,669	7,090	Reserves		781,846	722,810
5,162	5,338	Unappropriated profit		526,218	544,142
73,158	72,755			7,458,064	7,416,952
15,360	15,423	Non controlling interest		1,565,863	1,572,266
88,518	88,178	Surplus on revaluation of assets - net of deferred tax	13	9,023,927	8,989,218
3,703	2,859			377,458	291,509
92,221	91,037			9,401,385	9,280,727
CONTINGENCIES AND COMMITMENTS					
			14		

The annexed notes from 1 to 21 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 MARCH 31, 2015

March 31, 2015 ------(US Dollars in '000)-----	March 31, 2014		Note	March 31, 2015 ------(Rupees in '000)-----	March 31, 2014
5,742	4,494	Mark-up/return/interest earned		585,358	458,117
<u>3,670</u>	<u>2,720</u>	Mark-up/return/interest expensed		<u>374,111</u>	<u>277,247</u>
2,072	1,774	Net mark-up/ interest income		<u>211,247</u>	<u>180,870</u>
(287)	49	(Reversal) / provision against non - performing advances		(29,244)	4,982
93	77	Provision for diminution in the value of investments		9,528	7,832
-	-	Bad debts written off directly		-	-
<u>(194)</u>	<u>126</u>			<u>(19,716)</u>	<u>12,814</u>
<u>2,266</u>	<u>1,648</u>	Net mark-up/ interest income after provisions		<u>230,963</u>	<u>168,056</u>

NON MARK-UP/INTEREST INCOME

52	67	Fee, commission and brokerage income	5,347	6,838
149	51	Dividend income	15,234	5,234
-	-	Income from dealing in foreign currency	-	-
3,106	335	Gain on sale of securities	316,660	34,186
(170)	69	Unrealised (loss) / gain on revaluation of investments classified as 'held-for-trading' securities	(17,352)	7,002
6	2	Other income	576	234
<u>3,143</u>	<u>524</u>	Total non-mark up/interest income	<u>320,465</u>	<u>53,494</u>
5,409	2,172		551,428	221,550

NON MARK-UP/INTEREST EXPENSES

964	843	Administrative expenses	98,254	85,941
-	56	Other write offs / provisions	-	5,664
89	53	Other charges	9,087	5,540
<u>1,053</u>	<u>952</u>	Total non-mark up/interest expenses	<u>107,341</u>	<u>97,145</u>
4,356	1,220		444,087	124,405
-	-	Share of results of associates - net of tax	-	-
-	-	Extra ordinary /unusual items	-	-
<u>4,356</u>	<u>1,220</u>	PROFIT BEFORE TAXATION	<u>444,087</u>	<u>124,405</u>
1,560	317	Taxation - current	159,144	32,329
-	-	- prior	-	-
42	43	- deferred	4,234	4,420
<u>1,602</u>	<u>360</u>		<u>163,378</u>	<u>36,749</u>
<u>2,754</u>	<u>860</u>	PROFIT AFTER TAXATION	<u>280,709</u>	<u>87,656</u>

PROFIT ATTRIBUTABLE TO:

2,817	860	Shareholders of the holding company	287,112	87,656
(63)	-	Non-controlling interest	(6,403)	-
<u>2,754</u>	<u>860</u>		<u>280,709</u>	<u>87,656</u>

----- US Dollar -----

US \$ 0.0046

US \$ 0.0014

Basic and diluted earnings per share

-----Rupee-----

15

0.47

0.14

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director
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Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2015

March 31, 2015 ----(US Dollars in '000)----	March 31, 2014		March 31, 2015 ------(Rupees in '000)-----	March 31, 2014
2,754	860	Profit after taxation	280,709	87,656
		Other comprehensive income		
		Items that will not be reclassified subsequently to profit and loss account	-	-
<u>2,754</u>	<u>860</u>		<u>280,709</u>	<u>87,656</u>
		Comprehensive income transferred to equity attributable to:		
2,817	860	Shareholders of the holding company	287,112	87,656
(63)	-	Non-controlling interest	(6,403)	-
<u>2,754</u>	<u>860</u>	Comprehensive income transferred to equity	<u>280,709</u>	<u>87,656</u>
		Component of comprehensive income not transferred to equity		
987	369	Surplus on revaluation of 'available for sale' investments	100,575	37,611
(143)	(213)	Related tax impact	(14,626)	(21,750)
844	156		85,949	15,861
<u>3,598</u>	<u>1,016</u>	Total comprehensive income	<u>366,658</u>	<u>103,517</u>

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director
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Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2015

March 31, 2015	March 31, 2014		Note	March 31, 2015	Restated March 31, 2014
----- (US Dollars in '000) -----				----- (Rupees in '000) -----	
		CASH FLOW FROM OPERATING ACTIVITIES			
4,356	1,220	Profit before taxation		444,087	124,405
149	51	Less: Dividend income		15,234	5,234
<u>4,207</u>	<u>1,169</u>			<u>428,853</u>	<u>119,171</u>
		Adjustments for non-cash charges			
45	36	Depreciation		4,586	3,690
-	2	Amortisation of intangible assets		50	186
170	(69)	Unrealised loss on revaluation of investments classified as 'held-for-trading'		17,352	(7,002)
(4)	(2)	Gain on sale of fixed assets		(375)	(234)
(287)	49	(Reversal) / provision against non-performing advances		(29,244)	4,982
93	77	Provision for diminution in the value of investments		9,528	7,832
<u>17</u>	<u>93</u>			<u>1,897</u>	<u>9,454</u>
<u>4,224</u>	<u>1,262</u>			<u>430,750</u>	<u>128,625</u>
		(Increase)/decrease in operating assets			
(7,716)	3,977	Lendings to financial institutions		(786,605)	405,435
(46,928)	(5,417)	Net investments in held-for-trading securities		(4,784,006)	(552,228)
(7,997)	4,799	Advances		(815,246)	489,255
1,682	344	Other assets		171,277	35,145
<u>(60,959)</u>	<u>3,703</u>			<u>(6,214,580)</u>	<u>377,607</u>
		Increase/(decrease) in operating liabilities			
-	-	Bills payable		-	-
56,227	8,391	Borrowings		5,732,067	855,366
(11,993)	593	Deposits and other accounts		(1,222,583)	60,406
(621)	1,189	Other liabilities		(63,289)	121,293
<u>43,613</u>	<u>10,173</u>			<u>4,446,195</u>	<u>1,037,065</u>
<u>(13,122)</u>	<u>15,138</u>			<u>(1,337,635)</u>	<u>1,543,297</u>
(652)	(504)	Income tax paid		(66,518)	(51,428)
<u>(13,774)</u>	<u>14,634</u>	Net cash (used in) / from operating activities		<u>(1,404,153)</u>	<u>1,491,869</u>
		CASH FLOW FROM INVESTING ACTIVITIES			
11,440	(15,242)	Net proceeds (investments in) from available-for-sale securities		1,166,218	(1,553,807)
264	34	Dividend received		26,908	3,471
(24)	(108)	Investments in operating fixed assets		(2,401)	(11,024)
4	2	Sale proceeds of property and equipment disposed-off		375	234
<u>11,684</u>	<u>(15,314)</u>	Net cash from / (used in) investing activities		<u>1,191,100</u>	<u>(1,561,126)</u>
		CASH FLOW FROM FINANCING ACTIVITIES			
(1)	(47)	Payment of lease obligation		(92)	(4,807)
(2,091)	(727)	Decrease in cash and cash equivalents		(213,145)	(74,064)
10,869	14,385	Cash and cash equivalents at the beginning of the period		1,108,007	1,466,419
<u>8,778</u>	<u>13,658</u>	Cash and cash equivalents at the end of the period	17	<u>894,862</u>	<u>1,392,355</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
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2015

	Issued, subscribed and paid up capital	Reserves		Unappropriated profit	Sub Total	Non controlling Interest	Total
		Statutory reserve	General reserve				
------(Rupees in '000)-----							
Balance as at January 01, 2014 - Restated	6,150,000	634,461	11,630	482,442	7,278,533	1,736,279	9,014,812
Total Comprehensive income							
Net profit after tax for the first quarter ended March 31, 2014	-	-	-	87,656	87,656	-	87,656
<i>Other comprehensive income:</i>							
Remeasurement of defined benefit obligation - net	-	-	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	87,656	87,656	-	87,656
Transfers							
Transfer to statutory reserve	-	17,531	-	(17,531)	-	-	-
Transactions with owners recognised directly in equity							
Dividend for the year ended December 31, 2013 (Re 0.40 per share)	-	-	-	(246,000)	(246,000)	-	(246,000)
Balance as at March 31, 2014 - Restated	6,150,000	651,992	11,630	306,567	7,120,189	1,736,279	8,856,468
Total Comprehensive income							
Net profit after tax for the nine months ended December 31, 2014	-	-	-	299,834	299,834	52,926	352,760
<i>Other comprehensive income:</i>							
Remeasurement of defined benefit obligation - net	-	-	-	(3,071)	(3,071)	-	(3,071)
<i>Total comprehensive income</i>	-	-	-	296,763	296,763	52,926	349,689
Transfers							
Transfer to statutory reserve	-	59,188	-	(59,188)	-	-	-
Transactions with owners recognised directly in equity							
Share of dividend attributable to non - controlling interest	-	-	-	-	-	(56,678)	(56,678)
Decrease in share of non - controlling interest	-	-	-	-	-	(160,261)	(160,261)
Balance as at December 31, 2014 - Restated	6,150,000	711,180	11,630	544,142	7,416,952	1,572,266	8,989,218
Balance as at January 01, 2015 - Restated	6,150,000	711,180	11,630	544,142	7,416,952	1,572,266	8,989,218
Total Comprehensive income							
Net profit after tax for the first quarter ended March 31, 2015	-	-	-	287,112	287,112	(6,403)	280,709
<i>Other comprehensive income :</i>							
Remeasurement of defined benefit obligation - net	-	-	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	287,112	287,112	(6,403)	280,709
Transfers							
Transfer to statutory reserve	-	59,036	-	(59,036)	-	-	-
Transaction with owners recognised directly in equity							
Dividend for the year ended December 31, 2014 (Re 0.40 per share)	-	-	-	(246,000)	(246,000)	-	(246,000)
Balance as at March 31, 2015	6,150,000	770,216	11,630	526,218	7,458,064	1,565,863	9,023,927

The annexed notes from 1 to 21 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 MARCH 31, 2015

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, its subsidiaries and associates are 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 Letter No. 35 dated October 28, 2003 issued by the State Bank of Pakistan (SBP).

1.2 The Group's Subsidiaries are as follows:

Entity	Country of incorporation	Nature of business	Holding %	
			31-Mar-15	31-Dec-14
Pak Oman Asset Management Company Limited	Pakistan	Incorporated under the Companies Ordinance, 1984 on July 28, 2006 as an unlisted public limited company. The principal activities of the company are investment advisory and asset management services.	51.00	51.00
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.	33.40	33.40
Pak Oman Advantage Fund	Pakistan	Established as an closed-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	27.36	27.36
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.	89.68	72.48
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.	99.93	99.74
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.	99.98	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.	97.73	96.37

1.3 The Group's Associates is as follows:

Japan Power Generation Limited	Pakistan	Incorporated under the Companies Ordinance, 1984 and is engaged in generation of power and its supply to WAPDA.	19.59	19.59
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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 March 31, 2015, Audited financial statements of Pak Oman Microfinance Bank for the year ended December 31, 2014 and the unaudited financial statements of others subsidiaries and associates for the six months ended December 31, 2014. The accounting policies used by subsidiaries 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 New accounting standard effective during the period

During the period, the company adopt IFRS 10 'Consolidated Financial Statements' replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Accordingly, following companies considered as Subsidiaries of the group and their results have been consolidated in these financial statements from the earliest period presented.

Pak Oman Microfinance Bank Limited
Pak Oman Advantage Fund
Pak Oman Advantage Islamic Income Fund
Pak Oman Islamic Asset Allocation fund
Pak Oman Advantage Asset Allocation Fund
Pak Oman Government Securities Fund

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 December 31, 2014.

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 Dollar at a rate of Rs 101.9442 = US dollar 1 for the first quarter ended March 31, 2015 and the corresponding period.

3 STATEMENT OF COMPLIANCE

This consolidated condensed interim financial information of the Company for the first quarter ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 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 International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (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 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 standards 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.

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 December 31, 2014.

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 December 31, 2014.

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 December 31, 2014.

7 INVESTMENTS - net

Note	March 31, 2015 (Un-audited)			December 31, 2014 (Unaudited) - Restated		
	Held by the Group	Given as collateral	Total	Held by the Group	Given as collateral	Total

------(Rupees in '000)-----

7.1 Investments by types

Held-for-trading securities

Pakistan investment bonds	444,508	467,170	911,678	350,039	7,815	357,854
Market treasury bills (T-Bills)	1,083,032	3,891,501	4,974,533	818,586	-	818,586
Listed ordinary shares	193,932	-	193,932	119,697	-	119,697
Sukuk Certificates	30,758	-	30,758	30,758	-	30,758
Term finance certificates (TFCs)	265,676	-	265,676	265,676	-	265,676
	2,017,906	4,358,671	6,376,577	1,584,756	7,815	1,592,571

Available-for-sale securities

Pakistan investment bonds	80,244	4,810,059	4,890,303	765,482	5,861,428	6,626,910
Listed ordinary shares	615,538	-	615,538	610,257	-	610,257
Unlisted ordinary shares	121,333	226,000	347,333	131,333	226,000	357,333
Mutual funds units	24,035	-	24,035	24,035	-	24,035
Sukuk certificates	1,120,097	-	1,120,097	1,168,039	-	1,168,039
Term finance certificates (TFCs)	2,726,868	-	2,726,868	2,127,381	-	2,127,381
	4,688,115	5,036,059	9,724,174	4,826,527	6,087,428	10,913,955

Associates

Japan Power Generation Limited	-	-	-	-	-	-
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Investments at cost	6,706,021	9,394,730	16,100,751	6,411,283	6,095,243	12,506,526
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Less: Provision for diminution in the value of investments	863,127	-	863,127	877,161	-	877,161
Investments - net of provisions	5,842,894	9,394,730	15,237,624	5,534,122	6,095,243	11,629,365

(Loss) / gain on revaluation of held-for-trading securities	(17,425)	4,181	(13,244)	3,948	160	4,108
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Surplus on revaluation of available-for-sale securities	(2,183)	559,334	557,151	14,485	442,091	456,576
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Total investments at carrying value	5,823,286	9,958,245	15,781,531	5,552,555	6,537,494	12,090,049
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7.2 In respect of term finance certificates and shares of Agritech Limited, the State Bank of Pakistan (SBP) vide their letter number BPRD/BRD-(Policy)/2014-11546 dated June 27, 2014 has provided further relaxation and advised to record provision and impairment on existing credit exposure and mark-to-market loss on shares in a phased manner upto 65%, 70%, 75%, 80%, 85%, 90% and 100% by June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 respectively calculated under Prudential Regulations. The Company has maintained 80% (December 31, 2014: 75%) provision on credit exposure and 86.11% (December 31, 2014: 86.90%) impairment on mark-to-market loss on shares in this consolidated condensed interim financial information.

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 name 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 transfer.

	(Un-audited) March 31, 2015	(Un-audited) - Restated December 31, 2014
----- (Rupees in '000) -----		
8. ADVANCES - net		
Loans in Pakistan	9,309,764	8,907,436
Net investment in finance lease in Pakistan	1,688,116	1,275,198
Advances - gross	10,997,880	10,182,634
Less: Provision for non-performing advances		
General	(2,177)	(2,432)
Specific	(865,603)	(894,592)
	(867,780)	(897,024)
Advances - net of provision	10,130,100	9,285,610

8.1 Advances include amount aggregating Rs. 960.481 million (December 31, 2014: Rs. 1,041.431 million), which have been placed under the non-performing status as detailed below:

March 31, 2015 (Un-audited)					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
----- (Rupees in '000) -----					
OAEM	2,132	-	2,132	-	-
Substandard	51,054	-	51,054	8,208	8,208
Doubtful	721	-	721	361	361
Loss	906,574	-	906,574	857,034	857,034
	960,481	-	960,481	865,603	865,603
December 31, 2014 (Un-audited) - Restated					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
----- (Rupees in '000) -----					
OAEM	2,132	-	2,132	-	-
Substandard	58,421	-	58,421	8,208	8,208
Doubtful	721	-	721	361	361
Loss	980,157	-	980,157	886,023	886,023
	1,041,431	-	1,041,431	894,592	894,592

8.2 In accordance with BSD Circular No. 2 dated January 27, 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 March 31, 2015, the holding Company has availed total accumulated FSV benefit amounting to Rs. 186.131 million (net of tax Rs. 120.985 million). Accordingly, accumulated profit of Rs. 120.985 million (net of transfer to statutory reserves Rs. 96.788 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.

	(Un-Audited)	
	First quarter ended March 31, 2015	March 31, 2014
----- (Rupees in '000) -----		
9 OPERATING FIXED ASSETS		
During the period additions to operating fixed assets were as follows:		
Owned		
Office equipment	66	580
Computer equipment	-	1,010
Furniture and fixture	100	-
Vehicles	1,822	3,355
Capital work in progress	413	6,079
	2,401	11,024

(Un-Audited) (Un-Audited) - Restated
March 31, 2015 December 31, 2014
 -----(Rupees in '000)-----

10 DEFERRED TAX ASSETS - net

Deferred tax assets arising in respect of:

Provision for diminution in the value of investments	263,889	260,516
Other provision	6,571	7,251
Amortisation of premium on federal government securities	1,368	547
Assets subject to finance leases	68	70
Accelerated tax depreciation allowances	951	388
Revaluation on investments classified as held-for-trading	243	(1,394)
Provision against non-performing loans and advances	303,723	313,277
Unabsorbed depreciation and carry forward losses	20,311	27,361
	597,124	608,016

Less: Deferred tax liabilities arising in respect of:

Revaluation on investments classified as available-for-sale	(179,693)	(165,067)
Dividend receivable	(1,144)	(2,312)
Net investment in finance leases	(70,908)	(76,399)
	(251,745)	(243,778)
	345,379	364,238

11 DEPOSITS AND OTHER ACCOUNTS

Certificate of investments - remunerative (in local currency)		
Financial institutions	796,128	2,178,804
Others	3,567,331	3,407,238
	4,363,459	5,586,042

11.1 The rate of return on deposits maturing between April 2015 to July 2017 (2014: January 2015 to July 2017) is 7.7 to 12 (2014: 9 to 12) percent per annum.

12 SHARE CAPITAL

12.1 Authorized capital

(Un-Audited) March 31, 2015	(Audited) December 31, 2014		(Un-Audited) March 31, 2015	(Audited) December 31, 2014
------(Number of shares)-----			------(Rupees in '000)-----	
1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each.	10,000,000	10,000,000

12.2 Issued, subscribed and paid - up capital

615,000,000	615,000,000	Ordinary shares of Rs. 10 each.	6,150,000	6,150,000
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12.3 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.

	(Un-Audited) March 31, 2015	(Un-Audited) - Restated December 31, 2014
	------(Rupees in '000)-----	
13 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	567,675	491,807
Shares-listed	43,743	(13,036)
Term Finance Certificates		
- Listed	(30,741)	(32,661)
- Unlisted	2,935	10,669
	(27,806)	(21,992)
Sukuk certificates	(26,220)	38
Investment in Mutual Funds	(241)	(241)
	557,151	456,576
Deferred tax asset recognized	(179,693)	(165,067)
	<u>377,458</u>	<u>291,509</u>

14 CONTINGENCIES AND COMMITMENTS

Transaction related contingent liability:		
- guarantees	10,000	10,000
Pledge of shares on behalf of Japan Power Generation Limited - note 14.1	70,726	70,726
Pledge of shares on behalf of Orient Power Company (Private) Limited - note 14.2	226,000	226,000
Commitments for:		
Purchase of government securities	56,381	823,733
Sale of government securities	107,771	379,303
Commitments for loans and advances and net investment in finance leases	2,241,829	1,684,585

14.1 Shares in Japan Power Generation Limited (an associate) aggregating 17,622,878 (December 31, 2014: 17,622,878) having a cost of Rs. 70.726 million (December 31, 2014: Rs. 70.726 million) have been pledged as security on behalf of that associated company against a syndicate finance facility obtained by it.

14.2 Shares in Orient Power Company (Private) Limited (related party) aggregating 22,600,000 (December 31, 2014: 22,600,000) having a cost of Rs.226 million (December 31, 2014: 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).

14.3 The Income tax Department has amended the deemed assessment orders for the tax years 2004, 2005, 2008, 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. Management estimates that sufficient provisions have been made and no further provision is required.

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

	First quarter ended	
	March 31, 2015	March 31, 2014
Profit attributable to shareholders (Rupees in '000)	287,112	87,656
Weighted average number of ordinary shares (in '000)	615,000	615,000
Basic and diluted earnings per share (Rupee)	0.47	0.14

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

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

	Corporate Finance	Trading & Sales	Commercial Banking	Asset Management	Total
	----- (Rupees in '000)' -----				
First quarter ended March 31, 2015 (Un-Audited)					
Total income	2,635	632,834	270,354	-	905,823
Total expense	17,270	268,142	176,324	-	461,736
Net income	(14,635)	364,692	94,030	-	444,087
First quarter ended March 31, 2015 (Un-Audited)					
Segment assets -net	-	18,802,002	10,330,049	30,706	29,162,757
Segment Liabilities	-	11,834,830	7,918,201	8,341	19,761,372
First quarter ended March 31, 2014 (Un-Audited)					
Total income	450	298,394	212,767	-	511,611
Total expense	14,997	205,534	166,675	-	387,206
Net income	(14,547)	92,860	46,092	-	124,405
First quarter ended March 31, 2014 (Un-Audited)					
Segment assets -net	-	12,635,912	7,476,999	53,894	20,166,805
Segment Liabilities	-	6,052,883	5,324,272	8,544	11,385,699

17 **CASH AND CASH EQUIVALENTS**

	(Un-Audited)	
	First quarter ended March 31, 2015	March 31, 2014
	----- (Rupees in '000) -----	
Cash and balances with treasury banks	74,797	83,053
Balances with other banks	820,065	1,109,302
Placements	-	200,000
	894,862	1,392,355

18 **RELATED PARTY TRANSACTIONS**

18.1 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

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 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.

20 GENERAL

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

21 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised on April 23, 2015 by the board of directors of the holding Company.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman