

**PAK OMAN INVESTMENT
COMPANY LIMITED**

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

**FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2014**

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2014

September 30, 2014 ------(US Dollars in '000)-----	December 31, 2013		Note	(Unaudited) September 30, 2014 ------(Rupees in '000)-----	(Audited) December 31, 2013
ASSETS					
891	760	Cash and balances with treasury banks		91,460	77,998
2,030	2,013	Balances with other banks		208,340	206,647
12,361	11,756	Lendings to financial institutions		1,268,609	1,206,521
118,126	74,335	Investments - net	7	12,123,741	7,629,301
84,002	73,014	Advances - net	8	8,621,478	7,493,690
638	498	Operating fixed assets	9	65,465	51,086
5,202	5,295	Deferred tax assets -net	10	533,913	543,492
5,754	5,057	Other assets		590,524	518,975
229,004	172,728			23,503,530	17,727,710
LIABILITIES					
-	-	Bills payable		-	-
99,614	55,750	Borrowings		10,223,795	5,721,831
53,551	43,201	Deposits and other accounts	11	5,496,159	4,433,848
-	-	Sub-ordinated loans		-	-
6	54	Liabilities against assets subject to finance lease		607	5,585
-	-	Deferred tax liabilities		-	-
6,386	3,562	Other liabilities		655,430	365,601
159,557	102,567			16,375,991	10,526,865
69,447	70,161			7,127,539	7,200,845
NET ASSETS					
REPRESENTED BY					
59,922	59,922	Share capital	12	6,150,000	6,150,000
6,736	6,295	Reserves		691,294	646,091
4,121	4,756	Unappropriated profit		422,923	488,112
70,779	70,973			7,264,217	7,284,203
(1,332)	(812)	Deficit on revaluation of assets - net of deferred tax	13	(136,678)	(83,358)
69,447	70,161			7,127,539	7,200,845
CONTINGENCIES AND COMMITMENTS					
			14		

The annexed notes from 1 to 21 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 QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2014

Nine months ended		Note	Quarter ended		Nine months ended	
September 30, 2014	September 30, 2013		September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
-----US Dollars in '000-----			-----Rupees in '000-----			
14,848	11,247	Mark-up/return/interest earned	554,927	384,587	1,523,907	1,154,279
9,319	6,422	Mark-up/return/interest expensed	359,495	217,594	956,472	659,078
5,529	4,825	Net mark-up/ interest income	195,432	166,993	567,435	495,201
(406)	(9)	(Reversal) against non -performing advances	(23,083)	(38,594)	(41,629)	(888)
1,005	497	Provision for diminution in the value of investments	5,993	33,031	103,172	50,987
-	-	Bad debts written off directly	-	-	-	-
599	488		(17,090)	(5,563)	61,543	50,099
4,930	4,337	Net mark-up/ interest income after provisions	212,522	172,556	505,892	445,102
NON MARK-UP/INTEREST INCOME						
241	64	Fee, commission and brokerage income	7,404	2,322	24,768	6,609
498	937	Dividend income	6,865	69,461	51,118	96,163
-	-	Income from dealing in foreign currency	-	-	-	-
578	1,232	Gain on sale of securities	1,354	15,159	59,370	126,448
(46)	(200)	Unrealised (loss) on revaluation of investments classified as 'held-for-trading' securities	(5,416)	(27,961)	(4,734)	(20,525)
7	6	Other income	255	243	702	594
1,278	2,039	Total non -mark up/interest income	10,462	59,224	131,224	209,289
6,208	6,376		222,984	231,780	637,116	654,391
NON MARK-UP/INTEREST EXPENSES						
2,472	2,190	Administrative expenses	84,877	74,344	253,724	224,825
19	36	Other write offs / provisions / (reversal)	(1,888)	-	1,966	3,698
110	64	Other charges	2,552	2,346	11,216	6,545
2,601	2,290	Total non-mark up/interest expenses	85,541	76,690	266,906	235,068
3,607	4,086		137,443	155,090	370,210	419,323
-	-	Extra ordinary /unusual items	-	-	-	-
3,607	4,086	PROFIT BEFORE TAXATION	137,443	155,090	370,210	419,323
1,276	1,261	Taxation - current	51,648	23,725	130,921	129,389
-	-	- prior	-	-	-	-
129	(105)	- deferred	(5,649)	10,601	13,275	(10,815)
1,405	1,156		45,999	34,326	144,196	118,574
2,202	2,930	PROFIT AFTER TAXATION	91,444	120,764	226,014	300,749
----- US Dollar -----			-----Rupees-----			
0.0036	0.0048	Basic and diluted earnings per share	0.15	0.20	0.37	0.49

The annexed notes from 1 to 21 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 QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2014

<u>Nine months ended</u>			<u>Quarter ended</u>		<u>Nine months ended</u>	
<u>September 30,</u>	<u>September 30,</u>		<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>
<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
----- (US Dollars in '000) -----			----- (Rupees in '000) -----			
2,202	2,930	PROFIT AFTER TAXATION	91,444	120,764	226,014	300,749
		Other comprehensive income				
		Not to be reclassified to profit and loss account in subsequent periods				
-	-	Actuarial gain / (loss) on defined benefit plan	-	-	-	-
<u>2,202</u>	<u>2,930</u>	Total comprehensive income for the period	<u>91,444</u>	<u>120,764</u>	<u>226,014</u>	<u>300,749</u>

The deficit arising on revaluation of assets is shown separately in the statement of financial position below equity, in accordance with the directives of the State Bank of Pakistan.

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

Chief Financial Officer

Managing Director
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and Chief Executive

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

September 30, 2014 ------(US Dollars in '000)-----	September 30, 2013		Note	September 30, 2014 ------(Rupees in '000)-----	September 30, 2013
CASH FLOW FROM OPERATING ACTIVITIES					
3,607	4,086	Profit before taxation		370,210	419,323
498	937	Less: Dividend income		51,118	96,163
<u>3,109</u>	<u>3,149</u>			<u>319,092</u>	<u>323,160</u>
Adjustments for non-cash charges					
119	111	Depreciation		12,223	11,356
5	8	Amortisation of intangible assets		494	812
46	200	Unrealised loss on revaluation of investments classified as 'held-for-trading' securities		4,734	20,525
(7)	(3)	Gain on sale of fixed assets		(702)	(279)
(406)	(9)	(Reversal) against non -performing advances		(41,629)	(888)
1,005	497	Provision for diminution in the value of investments		103,172	50,987
<u>762</u>	<u>804</u>			<u>78,292</u>	<u>82,513</u>
<u>3,871</u>	<u>3,953</u>			<u>397,384</u>	<u>405,673</u>
(Increase) / decrease in operating assets					
(1,345)	(14,759)	Lendings to financial institutions		(138,088)	(1,514,822)
(472)	8,375	Net Investments in Held-for-Trading securities		(48,457)	859,573
(10,583)	(3,980)	Advances		(1,086,159)	(408,441)
(212)	403	Other assets		(21,804)	41,383
<u>(12,612)</u>	<u>(9,961)</u>			<u>(1,294,508)</u>	<u>(1,022,307)</u>
Increase / (decrease) in operating liabilities					
-	-	Bills payable		-	-
43,864	(11,633)	Borrowings		4,501,964	(1,193,972)
10,350	461	Deposits and other accounts		1,062,311	47,299
2,824	(506)	Other liabilities		289,829	(51,922)
<u>57,038</u>	<u>(11,678)</u>			<u>5,854,104</u>	<u>(1,198,595)</u>
<u>48,297</u>	<u>(17,686)</u>			<u>4,956,980</u>	<u>(1,815,229)</u>
(1,715)	(2,667)	Income tax paid		(176,029)	(273,701)
<u>46,582</u>	<u>(20,353)</u>	Net cash from / (used in) operating activities		<u>4,780,951</u>	<u>(2,088,930)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
(43,527)	19,536	Net proceeds from / (Investments in) available-for-sale securities		(4,467,405)	2,005,075
-	1,974	Net proceeds from investments in held-to-maturity		-	202,576
(1,398)	(488)	Investment in associates		(143,500)	(50,100)
453	937	Dividend income received		46,481	96,163
(272)	(93)	Investments in operating fixed assets		(27,926)	(9,523)
15	15	Sale proceeds on sale of fixed assets disposed off		1,532	1,565
<u>(44,729)</u>	<u>21,881</u>	Net cash (used in) / from investing activities		<u>(4,590,818)</u>	<u>2,245,756</u>
CASH FLOW FROM FINANCING ACTIVITIES					
(49)	(38)	Payment of lease obligation		(4,978)	(3,940)
(2,397)	(2,397)	Dividend paid		(246,000)	(246,000)
<u>(2,446)</u>	<u>(2,435)</u>			<u>(250,978)</u>	<u>(249,940)</u>
(593)	(907)	Decrease in cash and cash equivalents		(60,845)	(93,114)
5,463	2,535	Cash and cash equivalents as at beginning of the period		560,645	260,159
<u>4,870</u>	<u>1,628</u>	Cash and cash equivalents at the end of the period	17	<u>499,800</u>	<u>167,045</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 NINE MONTHS ENDED SEPTEMBER 30, 2014

	Issued, subscribed and paid up capital	Reserves		Unappropriated profit	Total
		Statutory reserve	General reserve		
------(Rupees in '000)-----					
Balance as at January 01, 2013	6,150,000	559,353	11,630	437,039	7,158,022
Total comprehensive income					
Profit for the nine months ended September 30, 2013	-	-	-	300,749	300,749
<i>Other comprehensive income:</i>					
Actuarial loss on defined benefit plan -net	-	-	-	-	-
Total comprehensive income	-	-	-	300,749	300,749
Transfers					
Transfer to statutory reserve	-	60,150	-	(60,150)	-
Transaction with owners recognised directly in equity					
Dividend for the year ended December 31, 2012 (Re. 0.40 per share)	-	-	-	(246,000)	(246,000)
Balance as at September 30, 2013	6,150,000	619,503	11,630	431,638	7,212,771
Total comprehensive income					
Profit after tax for the quarter ended December 31, 2013	-	-	-	74,791	74,791
<i>Other comprehensive income:</i>					
Actuarial loss on defined benefit plan -net	-	-	-	(3,359)	(3,359)
Total comprehensive income	-	-	-	71,432	71,432
Transfers					
Transfer to statutory reserve	-	14,958	-	(14,958)	-
Balance as at December 31, 2013	6,150,000	634,461	11,630	488,112	7,284,203
Balance as at January 01, 2014	6,150,000	634,461	11,630	488,112	7,284,203
Total comprehensive income					
Profit after tax for the nine months ended September 30, 2014	-	-	-	226,014	226,014
<i>Other comprehensive income:</i>					
Actuarial loss on defined benefit plan -net	-	-	-	-	-
Total comprehensive income	-	-	-	226,014	226,014
Transfers					
Transfer to statutory reserve	-	45,203	-	(45,203)	-
Transaction with owners recognised directly in equity					
Dividend for the year ended December 31, 2013 (Re. 0.40 per share)	-	-	-	(246,000)	(246,000)
Balance as at September 30, 2014	6,150,000	679,664	11,630	422,923	7,264,217

The annexed notes from 1 to 21 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
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Investment Company Limited (the Company) was incorporated as a private limited company on July 23, 2001. Subsequently, on March 17, 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, Shahr-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 October 28, 2003 issued by 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 May 12, 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 December 31, 2013.

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 Dollar at a rate of Rs. 102.6341 = US dollar 1 for the nine months ended September 30, 2014 and the corresponding period.

3. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information of the Company for the nine months ended September 30, 2014 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 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 standards 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 this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2013.

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 December 31, 2013.

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 December 31, 2013.

7 INVESTMENTS - net

Note	September 30, 2014 (Unaudited)			December 31, 2013 (Audited)		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
------(Rupees in '000)-----						
7.1 Investments by types						
Held-for-trading securities						
Pakistan investment bonds	234,872	283,597	518,469	30,659	252,088	282,747
Market treasury bills (T-Bills)	738,248	-	738,248	726,187	197,369	923,556
Listed ordinary shares	15,515	-	15,515	17,472	-	17,472
	988,635	283,597	1,272,232	774,318	449,457	1,223,775
Available-for-sale securities						
Pakistan investment bonds	554,115	5,664,601	6,218,716	402,615	2,351,998	2,754,613
Listed ordinary shares	768,697	-	768,697	207,890	-	207,890
Unlisted ordinary shares	131,333	226,000	357,333	131,333	226,000	357,333
Mutual funds units	14,337	-	14,337	14,337	-	14,337
Sukuk certificates	1,088,435	-	1,088,435	605,074	-	605,074
Term finance certificates (TFCs)	2,309,222	-	2,309,222	2,351,722	-	2,351,722
	4,866,139	5,890,601	10,756,740	3,712,971	2,577,998	6,290,969
Associates						
Japan Power Generation Limited	51,921	70,726	122,647	51,921	70,726	122,647
Pak Oman Advantage Fund	262,828	-	262,828	262,828	-	262,828
Pak Oman Advantage Islamic Income Fund	92,667	-	92,667	92,667	-	92,667
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 Microfinance Bank Limited	384,708	-	384,708	301,208	-	301,208
Pak Oman Government Securities Fund	60,000	-	60,000	-	-	-
	1,028,616	70,726	1,099,342	885,116	70,726	955,842
Subsidiary						
Pak Oman Asset Management Company Limited	168,300	-	168,300	168,300	-	168,300
	7,051,690	6,244,924	13,296,614	5,540,705	3,098,181	8,638,886
Investments at cost						
Less: Provision for diminution in the value of investments	919,741	59,271	979,012	818,203	59,271	877,474
	6,131,949	6,185,653	12,317,602	4,722,502	3,038,910	7,761,412
Investments - net of provisions						
(Loss)/gain on revaluation of held-for-trading securities	(325)	(503)	(828)	193	3,713	3,906
Deficit on revaluation of available-for-sale securities	(87,522)	(105,511)	(193,033)	(54,758)	(81,259)	(136,017)
	6,044,102	6,079,639	12,123,741	4,667,937	2,961,364	7,629,301
Total investments at carrying value						

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 70% (December 31, 2013: 53.56%) provision on credit exposure and 88.56% (December 31, 2013: 100%) impairment on mark-to-market loss on shares in this unconsolidated 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 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.

7.3 The Board of Directors of the Company has approved the proposal of amalgamation of the subsidiary company with KASB Funds Limited in their meeting held on 14 April 2014. The process of amalgamation is in progress.

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
	----- (Rupees in '000) -----	
Loans in Pakistan	8,146,171	7,225,533
Net investment in finance lease in Pakistan	1,372,545	1,207,024
Advances - gross	9,518,716	8,432,557
Less: Provision for non-performing advances	(897,238)	(938,867)
Advances - net of provision	8,621,478	7,493,690

8.1 Advances include amount aggregating Rs. 1,008.264 million (December 31, 2013: Rs. 1,132.366 million), which have been placed under the non-performing status as detailed below:

September 30, 2014 (Un-audited)					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	1,008,264	-	1,008,264	897,238	897,238
	1,008,264	-	1,008,264	897,238	897,238

December 31, 2013 (Audited)					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	-	-	-	-	-
Doubtful	54,185	-	54,185	-	-
Loss	1,078,181	-	1,078,181	938,867	938,867
	1,132,366	-	1,132,366	938,867	938,867

8.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Company has availed the benefit of FSV against the non-performing advances and term finance certificates. As of September 30, 2014, the Company has availed total accumulated FSV benefit amounting to Rs. 261.130 million (net of tax Rs. 174.957 million). Accordingly, accumulated profit of Rs. 174.957 million (net of transfer to statutory reserves Rs. 139.966 million) will not be available for the distribution as cash or stock dividend to the shareholders of the Company as required by the aforementioned SBP directives.

(Un-Audited)	
Nine months ended	
September 30, 2014	September 30, 2013
----- (Rupees in '000) -----	

9. OPERATING FIXED ASSETS

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

Owned

Office equipment	850	336
Computer equipment	1,171	1,236
Furniture and fixture	100	961
Vehicles	19,764	4,602
Intangibles	244	-
Capital work in progress	5,797	2,388
	27,926	9,523

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

Owned

Improvements	1	-
Office equipment	90	44
Vehicles	739	1,242
	830	1,286

(Un-Audited) (Audited)
September 30, 2014 December 31, 2013
 -----(Rupees in '000)-----

10 DEFERRED TAX ASSETS - net

Deductible temporary differences arising for:

Provision for diminution in the value of investments	252,774	233,751
Other provisions	-	1,294
Amortisation of premium on federal government securities	1,235	778
Assets subject to finance leases	67	(1,170)
Accelerated tax depreciation allowances	936	601
Revaluation on investments classified as available-for-sale	56,355	52,659
Provision against non-performing loans and advances	296,089	328,603
	607,456	616,516

Taxable temporary differences arising for:

Revaluation on investments classified as held-for-trading	67	(1,402)
Dividend receivable	(464)	-
Net investment in finance leases	(73,146)	(71,622)
	(73,543)	(73,024)
	533,913	543,492

11 DEPOSITS AND OTHER ACCOUNTS

Certificate of investments - remunerative (in local currency)		
Financial institutions	2,705,747	607,747
Others	2,790,412	3,826,101
	5,496,159	4,433,848

11.1 The rate of return on deposits maturing October 2014 to July 2017 (2013: January 2014 to July 2015) is 9.00% to 12.00% (2013: 8.6% to 12.30%) per annum.

12 SHARE CAPITAL

12.1 Authorized capital

(Un-Audited) September 30, 2014 ----- ----- 1,000,000,000	(Audited) December 31, 2013 1,000,000,000	(Un-Audited) September 30, 2014 ----- ----- 10,000,000	(Audited) December 31, 2013 10,000,000
Ordinary shares of Rs. 10 each			

12.2 Issued, subscribed and paid - up capital

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

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 (2013: 307,495,900) ordinary shares of the Company, while 4,100 (2013: 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.

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

	Quarter ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Profit after taxation (Rupees in '000)	<u>91,444</u>	<u>120,764</u>	<u>226,014</u>	<u>300,749</u>
Weighted average number of ordinary shares (in '000)	<u>615,000</u>	<u>615,000</u>	<u>615,000</u>	<u>615,000</u>
Basic and diluted earnings per share (Rupee)	<u>0.15</u>	<u>0.20</u>	<u>0.37</u>	<u>0.49</u>

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	Total
-----Rupees in '000-----				
Nine months ended September 30, 2014 (Un-Audited)				
Total income	2,890	989,085	663,157	1,655,132
Total expense	<u>39,834</u>	<u>782,483</u>	<u>462,605</u>	<u>1,284,922</u>
Net income	<u>(36,944)</u>	<u>206,602</u>	<u>200,552</u>	<u>370,210</u>
Nine months ended September 30, 2014 (Un-Audited)				
Segment assets - net	-	14,410,198	9,093,332	23,503,530
Segment liabilities	-	9,488,094	6,887,897	16,375,991
Nine months ended September 30, 2013 (Un-Audited)				
Total income	2,912	840,715	519,941	1,363,568
Total expense	<u>43,557</u>	<u>515,284</u>	<u>385,404</u>	<u>944,245</u>
Net income	<u>(40,645)</u>	<u>325,431</u>	<u>134,537</u>	<u>419,323</u>
Nine months ended September 30, 2013 (Un-Audited)				
Segment assets - net	-	9,994,504	7,176,896	17,171,400
Segment liabilities	-	5,252,196	4,846,254	10,098,450

17 **CASH AND CASH EQUIVALENTS**

	(Un-Audited)	
	September 30, 2014	September 30, 2013
-----Rupees in '000-----		
Cash and balances with treasury banks	<u>91,460</u>	49,378
Balances with other banks	<u>208,340</u>	117,667
Placements	<u>200,000</u>	-
	<u>499,800</u>	<u>167,045</u>

18 **RELATED PARTY TRANSACTIONS**

18.1 The Company has related party relationship with its associates, subsidiary company, employee benefit plans, company having common directors and its key management personnel (including their associates). The details of investments in subsidiary company and associates are stated in note 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 Company

-Pak Oman Asset Management Company Limited

Associates

-Pak Oman Microfinance Bank Limited
 -Japan Power Generation 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

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. 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 unconsolidated condensed interim financial information was authorised on October 20, 2014 by the board of directors.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman