

**PAK OMAN INVESTMENT
COMPANY LIMITED**

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

**FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2013**

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2013

(Unaudited) September 30, 2013 ------(US Dollars in '000)-----	(Audited) December 31, 2012		Note	(Unaudited) September 30, 2013 ------(Rupees in '000)-----	(Audited) December 31, 2012
ASSETS					
466	960	Cash and balances with treasury banks		49,378	101,865
1,109	1,492	Balances with other banks		117,667	158,294
22,137	7,855	Lendings to financial institutions		2,347,941	833,119
65,424	96,443	Investments - net	6	6,939,112	10,229,027
63,702	59,842	Advances - net	7	6,756,388	6,347,059
517	554	Operating fixed assets	8	54,794	58,725
5,135	4,482	Deferred tax assets -net	9	544,623	475,398
3,408	3,531	Other assets		361,497	374,454
161,898	175,159			17,171,400	18,577,941
LIABILITIES					
-	-	Bills payable		-	-
50,464	61,722	Borrowings		5,352,395	6,546,367
41,469	41,023	Deposits and other accounts	10	4,398,299	4,351,000
-	-	Sub-ordinated loans		-	-
62	100	Liabilities against assets subject to finance lease		6,616	10,556
-	-	Deferred tax liabilities		-	-
3,216	4,797	Other liabilities		341,140	508,948
95,211	107,642			10,098,450	11,416,871
66,687	67,517			7,072,950	7,161,070
NET ASSETS					
REPRESENTED BY					
57,984	57,984	Share capital	11	6,150,000	6,150,000
5,951	5,383	Reserves		631,133	570,983
4,070	4,121	Unappropriated profit		431,638	437,039
68,005	67,488			7,212,771	7,158,022
(1,318)	29	(Deficit) / surplus on revaluation of assets - net of deferred tax	12	(139,821)	3,048
66,687	67,517			7,072,950	7,161,070
CONTINGENCIES AND COMMITMENTS					
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The annexed notes from 1 to 20 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, 2013

Nine months ended			Quarter ended		Nine months ended	
September 30, 2013	September 30, 2012		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
----- (US Dollars in '000) -----			----- (Rupees in '000) -----			
10,883	15,092	Mark-up/return/interest earned	384,587	534,100	1,154,279	1,600,661
6,214	9,848	Mark-up/return/interest expensed	217,594	339,241	659,078	1,044,518
4,669	5,244	Net mark-up/ interest income	166,993	194,859	495,201	556,143
(8)	(82)	(Reversal) of provision against non -performing advances	(38,594)	(5,775)	(888)	(8,646)
481	742	Provision for diminution in the value of investments	33,031	28,284	50,987	78,745
-	-	Bad debts written off directly	-	-	-	-
473	660		(5,563)	22,509	50,099	70,099
4,196	4,584	Net mark-up/ interest income after provisions	172,556	172,350	445,102	486,044
NON MARK-UP/INTEREST INCOME						
62	83	Fee, commission and brokerage income	2,322	3,063	6,609	8,850
907	356	Dividend income	69,461	24,651	96,163	37,781
1,192	1,771	Gain on sale of securities	15,159	104,483	126,448	187,792
(194)	451	Unrealised (loss) / gain on revaluation of investments classified as 'held-for-trading' securities	(27,961)	31,532	(20,525)	47,838
7	11	Other income	243	464	594	1,165
1,974	2,672	Total non -mark up/interest income	59,224	164,193	209,289	283,426
6,170	7,256		231,780	336,543	654,391	769,470
NON MARK-UP/INTEREST EXPENSES						
2,120	2,086	Administrative expenses	74,344	72,363	224,825	221,239
35	-	Other provisions / (reversal)	-	(11,129)	3,698	-
61	64	Other charges	2,346	3,282	6,545	6,715
2,216	2,150	Total non-mark up/interest expenses	76,690	64,516	235,068	227,954
3,954	5,106		155,090	272,027	419,323	541,516
-	-	Extra ordinary /unusual items	-	-	-	-
3,954	5,106	PROFIT BEFORE TAXATION	155,090	272,027	419,323	541,516
1,220	1,795	Taxation - current	23,725	95,467	129,389	190,351
-	-	- prior	-	-	-	-
(102)	(360)	- deferred	10,601	(7,639)	(10,815)	(38,185)
1,118	1,435		34,326	87,828	118,574	152,166
2,836	3,671	PROFIT AFTER TAXATION	120,764	184,199	300,749	389,350
----- US Dollar -----			----- (Rupee) -----			
0.0046	0.0060	Basic and diluted earnings per share	0.20	0.30	0.49	0.63

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The annexed notes from 1 to 20 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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

September 30, 2013 ------(US Dollars in '000)-----	September 30, 2012		Note	September 30, 2013 ------(Rupees in '000)-----	September 30, 2012
CASH FLOW FROM OPERATING ACTIVITIES					
3,954	5,106	Profit before taxation		419,323	541,516
907	356	Less: Dividend income		96,163	37,781
<u>3,047</u>	<u>4,750</u>			<u>323,160</u>	<u>503,735</u>
Adjustments for non-cash charges					
107	109	Depreciation		11,356	11,606
8	16	Amortisation of intangible assets		812	1,729
194	(451)	Unrealised loss / (gain) on revaluation of investments classified as 'held-for-trading' securities		20,525	(47,838)
(3)	(6)	Gain on sale of fixed assets		(279)	(622)
(8)	(82)	(Reversal) of provision against non-performing advances		(888)	(8,646)
481	742	Provision for diminution in the value of investments		50,987	78,745
(10,883)	(15,092)	Financial income		(1,154,279)	(1,600,661)
6,214	9,848	Financial charges		659,078	1,044,518
<u>(3,890)</u>	<u>(4,916)</u>			<u>(412,688)</u>	<u>(521,169)</u>
<u>(843)</u>	<u>(166)</u>			<u>(89,528)</u>	<u>(17,434)</u>
(Increase) / decrease in operating assets					
(14,282)	(723)	Lendings to financial institutions		(1,514,822)	(76,728)
8,104	4,929	Net Investments in Held-for-Trading securities		859,573	522,826
(3,851)	(6,084)	Advances		(408,441)	(645,236)
295	(46)	Other assets		31,443	(4,943)
<u>(9,734)</u>	<u>(1,924)</u>			<u>(1,032,247)</u>	<u>(204,081)</u>
Increase / (decrease) in operating liabilities					
-	-	Bills payable		-	-
(11,257)	(1,300)	Borrowings		(1,193,972)	(137,907)
446	4,218	Deposits and other accounts		47,299	447,364
(273)	(119)	Other liabilities		(28,760)	(12,766)
<u>(11,084)</u>	<u>2,799</u>			<u>(1,175,433)</u>	<u>296,691</u>
<u>(21,661)</u>	<u>709</u>			<u>(2,297,208)</u>	<u>75,176</u>
10,977	14,723	Financial income received		1,164,219	1,561,524
(6,432)	(9,989)	Financial charges paid		(682,240)	(1,059,448)
(2,581)	(1,819)	Income tax paid		(273,701)	(192,931)
<u>(19,697)</u>	<u>3,624</u>	Net cash (used in) / from operating activities		<u>(2,088,930)</u>	<u>384,321</u>
CASH FLOW FROM INVESTING ACTIVITIES					
18,905	(2,937)	Net proceeds from / (Investments in) available-for-sale securities		2,005,075	(311,495)
1,910	35	Net proceeds from investments in held-to-maturity		202,576	3,694
(472)	-	Investments in associates		(50,100)	-
907	478	Dividend income received		96,163	50,747
(90)	(133)	Investments in operating fixed assets		(9,523)	(14,057)
15	23	Sale proceeds on sale of fixed assets disposed off		1,565	2,451
<u>21,175</u>	<u>(2,534)</u>	Net cash from / (used in) investing activities		<u>2,245,756</u>	<u>(268,660)</u>
CASH FLOW FROM FINANCING ACTIVITIES					
(37)	(67)	Payment of lease obligation		(3,940)	(7,135)
(2,319)	(2,029)	Dividend paid		(246,000)	(215,250)
<u>(2,356)</u>	<u>(2,096)</u>	Net cash used in financing activities		<u>(249,940)</u>	<u>(222,385)</u>
(878)	(1,006)	Decrease in cash and cash equivalents		(93,114)	(106,724)
2,453	2,599	Cash and cash equivalents as at beginning of the period		260,159	275,705
<u>1,575</u>	<u>1,593</u>	Cash and cash equivalents at the end of the period	16	<u>167,045</u>	<u>168,981</u>

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	Issued, subscribed and paid up capital	Reserves		Unappropriated profit	Total
		Statutory reserve	General reserve		
------(Rupees in '000)-----					
Balance as at January 1, 2012	6,150,000	473,682	11,630	309,606	6,944,918
Comprehensive Income					
Net profit after tax for the nine months ended September 30, 2012	-	-	-	389,350	389,350
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	389,350	389,350
Transfers					
Transfer to statutory reserve	-	77,870	-	(77,870)	-
Transaction with owners recognised directly in equity					
Dividend for the year ended December 31, 2011 (Re. 0.35 per share)	-	-	-	(215,250)	(215,250)
Balance as at September 30, 2012	6,150,000	551,552	11,630	405,836	7,119,018
Comprehensive Income					
Net profit after tax for the quarter ended December 31, 2012	-	-	-	39,004	39,004
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	39,004	39,004
Transfers					
Transfer to statutory reserve	-	7,801	-	(7,801)	-
Balance as at December 31, 2012	6,150,000	559,353	11,630	437,039	7,158,022
Comprehensive Income					
Net profit after tax for the nine months ended September 30, 2013	-	-	-	300,749	300,749
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	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

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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, 2013

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, 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 October 28, 2003 issued by State Bank of Pakistan (SBP).

2. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information of the Company for the nine months ended September 30, 2013 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 these standards have not been considered in the preparation of these unconsolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

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, 2012.

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. 106.0629 = US dollar 1 for the nine months ended September 30, 2013 and the corresponding period.

3. 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, 2012, except as disclosed in note 3.1.

3.1 Change in accounting policy

During the current period, the Company has changed its accounting policy in respect of post-retirement defined benefit plan as required under IAS 19, 'Employee Benefits'. According to the new policy, all actuarial gains and losses are recognized in Other Comprehensive Income (OCI) in the periods in which they occur. Amounts recorded in profit and loss account are limited to current and past service costs, gain or loss on settlement and net interest income or expense. All other changes in the net defined benefit obligation are recognized directly in OCI with no subsequent recycling through profit and loss account. Previously, the Company was recognizing all actuarial gains / losses in the profit and loss account.

The effect of such change is considered immaterial to this unconsolidated condensed interim financial information as whole.

4. 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, 2012, except as disclosed in note 3.1.

5. 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, 2012.

6 INVESTMENTS - net

Note	September 30, 2013 (Unaudited)			December 31, 2012 (Audited)		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
------(Rupees in '000)-----						
6.1 Investments by types						
Held-for-trading securities						
Pakistan investment bonds	448,579	-	448,579	13,366	612,226	625,592
Market treasury bills (T-Bills)	-	-	-	50,812	648,145	698,957
Listed ordinary shares	16,397	-	16,397	-	-	-
	464,976	-	464,976	64,178	1,260,371	1,324,549
Available-for-sale securities						
Pakistan investment bonds	744,426	1,878,848	2,623,274	154,242	2,647,324	2,801,566
Market treasury bills (T-Bills)	-	-	-	485,026	653,294	1,138,320
Listed ordinary shares	275,021	-	275,021	213,693	-	213,693
Unlisted ordinary shares	131,333	226,000	357,333	131,333	226,000	357,333
Unlisted preference shares	-	-	-	231,744	-	231,744
Mutual funds units	14,337	-	14,337	14,337	-	14,337
Sukuk certificates	648,489	-	648,489	724,373	-	724,373
National saving bonds	-	-	-	9,999	-	9,999
Term finance certificates (TFCs)	2,371,819	145,946	2,517,765	2,772,238	177,691	2,949,929
	4,185,425	2,250,794	6,436,219	4,736,985	3,704,309	8,441,294
Held-to-maturity securities						
Pakistan investment bonds	-	-	-	202,576	-	202,576
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	301,208	-	301,208	251,108	-	251,108
	885,116	70,726	955,842	835,016	70,726	905,742
Subsidiary						
Pak Oman Asset Management Company Limited	168,300	-	168,300	168,300	-	168,300
	5,703,817	2,321,520	8,025,337	6,007,055	5,035,406	11,042,461
Investments at cost						
Less: Provision for diminution in the value of investments	797,507	59,271	856,778	746,520	59,271	805,791
	4,906,310	2,262,249	7,168,559	5,260,535	4,976,135	10,236,670
Investments - net of provisions						
(Loss) on revaluation of held-for-trading securities	(22,853)	-	(22,853)	(119)	(2,209)	(2,328)
(Deficit) / surplus on revaluation of available-for-sale securities	(117,931)	(88,663)	(206,594)	(40,896)	35,581	(5,315)
	4,765,526	2,173,586	6,939,112	5,219,520	5,009,507	10,229,027
Total investments at carrying value						

6.2 In respect of term finance certificates and shares of Agritech Limited, the State Bank of Pakistan (SBP) vide their letter number BPRD/BRD-(Policy)/2013-11339 dated July 25, 2013 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 30%, 40%, 50%, 60%, 75%, 85% and 100% by June 30, 2013, September 30, 2013, December 31, 2013, March 31, 2014, June 30, 2014, September 30, 2014 and December 31, 2014 respectively calculated under Prudential Regulations. While the SBP has maintained relaxation provided in respect of exposure of Azgard Nine Limited as per their earlier letter number BPRD/BRD-(Policy)/2013-1857 dated February 15, 2013 (fully disclosed in note 9.6.4.4 of annual financial statements). The Company has maintained 53% on Agritech Limited and 75% on Azgard Nine Limited (December 31, 2012: 50%) provision on credit exposure and 100% impairment on mark-to-market loss on shares in this unconsolidated financial information.

6.3 The Board of Directors of the Company, in their meeting held on December 30, 2012, has approved the proposal of amalgamation of the subsidiary company with other group. Due diligence report for the aforesaid amalgamation has been prepared and swap ratio has been approved by the Board of POAMC. The Competition Commission of Pakistan has approved the scheme and the transaction has been submitted to Securities and Exchange Commission of Pakistan for approval.

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
	----- (Rupees in '000) -----	
7. ADVANCES - net		
Loans in Pakistan	6,573,832	6,352,491
Net investment in finance lease in Pakistan	1,115,482	928,382
Advances - gross	7,689,314	7,280,873
Less: Provision for non-performing advances	(932,926)	(933,814)
Advances - net of provision	6,756,388	6,347,059

7.1 Advances include amount aggregating Rs. 1,157.053 million (December 31, 2012: Rs. 1,182.906 million), which have been placed under the non-performing status as detailed below:

September 30, 2013 (Un-audited)					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	-	-	-	-	-
Doubtful	105,778	-	105,778	-	-
Loss	1,051,275	-	1,051,275	932,926	932,926
	1,157,053	-	1,157,053	932,926	932,926

December 31, 2012 (Audited)					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	94,878	-	94,878	-	-
Doubtful	128,266	-	128,266	63,061	63,061
Loss	959,762	-	959,762	870,753	870,753
	1,182,906	-	1,182,906	933,814	933,814

7.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Company has further availed the benefit of FSV against the non-performing advances and term finance certificates. Had this benefit of FSV not been taken by the Company, the specific provision against non-performing advances and term finance certificates would have been higher by Rs. 56.64 million (net of tax Rs. 40.32 million) and profit before taxation for the nine months ended September 30, 2013 would have been reduced by the same amount. As of September 30, 2013, the Company has availed total accumulated FSV benefit amounting to Rs. 350.11 million (net of tax Rs. 231.07 million). Accordingly, accumulated profit of Rs. 231.07 million (net of transfer to statutory reserves Rs. 184.86 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, 2013	September 30, 2012
	----- (Rupees in '000) -----	

8. OPERATING FIXED ASSETS

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

Owned

Office equipment	336	144
Computer equipment	1,236	1,569
Furniture and fixture	961	100
Vehicles	4,602	8,313
Capital work in process	2,388	3,931
	9,523	14,057

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

Owned

Office equipment	44	-
Computer equipment	-	79
Furniture and fixture	-	104
Vehicles	1,242	1,646
	1,286	1,829

(Un-Audited) (Audited)
September 30, 2013 December 31, 2012
------(Rupees in '000)-----

9 DEFERRED TAX ASSETS - net

Deductible temporary differences arising for:

Provision for diminution in the value of investments	221,926	211,119
Other provisions	1,257	-
Amortisation of premium on federal government securities	556	17,121
Accelerated tax depreciation allowances	535	814
Revaluation on investments classified as held-for-trading	7,462	815
Revaluation on investments classified as available-for-sale	66,773	8,363
Provision against non-performing loans and advances	317,195	326,835
	615,704	565,067

Taxable temporary differences arising for:

Assets subject to finance leases	(1,331)	(1,930)
Dividend receivable	(110)	-
Net investment in finance leases	(69,640)	(87,739)
	(71,081)	(89,669)
	544,623	475,398

(Un-Audited) (Audited)
September 30, 2013 December 31, 2012
------(Rupees in '000)-----

10 DEPOSITS AND OTHER ACCOUNTS

Certificate of investments - remunerative (in local currency)		
Financial institutions	663,747	731,747
Others	3,734,552	3,619,253
	4,398,299	4,351,000

10.1 The rate of return on deposits maturing October 2013 to July 2015 (2012: January 2013 to May 2014) is 8.50% to 12.50% (2012: 9% to 13.75%) per annum.

11 SHARE CAPITAL

11.1 Authorized capital

(Un-Audited) September 30, 2013 ------(Number of shares)-----	(Audited) December 31, 2012		(Un-Audited) September 30, 2013 ------(Rupees in '000)-----	(Audited) December 31, 2012
1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each	10,000,000	10,000,000

11.2 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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11.3 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 (2012: 307,495,900) ordinary shares of the Company, while 4,100 (2012: 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 **BASIC AND DILUTED EARNINGS PER SHARE (Un-Audited)**

	Quarter ended		Nine months ended	
	September 2013	September 30, 2012	September 30, 2013	September 30, 2012
Profit after taxation (Rupees in '000)	120,764	184,199	300,749	389,350
Weighted average number of ordinary shares (in '000)	615,000	615,000	615,000	615,000
Basic and diluted earnings per share (Rupee)	0.20	0.30	0.49	0.63

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

15.1 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, 2013 (Un-Audited)				
Total income	2,912	840,715	519,941	1,363,568
Total expense	43,557	515,284	385,404	944,245
Net income	(40,645)	325,431	134,537	419,323
Nine months ended September 30, 2012 (Un-Audited)				
Total income	5,154	1,258,983	619,950	1,884,087
Total expense	34,375	853,451	454,745	1,342,571
Net income	(29,221)	405,532	165,205	541,516

16 **CASH AND CASH EQUIVALENTS**

	(Un-Audited)	
	September 30, 2013	September 30, 2012
-----Rupees in '000-----		
Cash and balances with treasury banks	49,378	60,785
Balances with other banks	117,667	108,196
	167,045	168,981

17. **RELATED PARTY TRANSACTIONS**

17.1 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 6 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.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the unconsolidated condensed interim financial statements are as follows:

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

18. 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.

19. GENERAL

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

20. DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information were authorised on October 05, 2013 by the board of directors.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman