

**PAK OMAN INVESTMENT
COMPANY LIMITED**

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

**FOR THE FIRST QUARTER
ENDED MARCH 31, 2014**

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

(Unaudited) March 31, 2014 ------(US Dollars in '000)-----	(Audited) December 31, 2013		Note	(Unaudited) March 31, 2014 ------(Rupees in '000)-----	(Audited) December 31, 2013
ASSETS					
816	792	Cash and balances with treasury banks		80,433	77,998
2,092	2,097	Balances with other banks		206,148	206,647
7,359	12,245	Lendings to financial institutions		725,086	1,206,521
99,179	77,431	Investments - net	6	9,772,117	7,629,301
71,039	76,055	Advances - net	7	6,999,453	7,493,690
591	518	Operating fixed assets	8	58,234	51,086
5,250	5,516	Deferred tax assets -net	9	517,322	543,492
5,122	5,268	Other assets		504,692	518,975
191,448	179,922			18,863,485	17,727,710
LIABILITIES					
-	-	Bills payable		-	-
66,753	58,072	Borrowings		6,577,197	5,721,831
45,613	45,000	Deposits and other accounts	10	4,494,254	4,433,848
-	-	Sub-ordinated loans		-	-
8	57	Liabilities against assets subject to finance lease		778	5,585
-	-	Deferred tax liabilities		-	-
7,437	3,710	Other liabilities		732,894	365,601
119,811	106,839			11,805,123	10,526,865
71,637	73,083			7,058,362	7,200,845
NET ASSETS					
REPRESENTED BY					
62,418	62,418	Share capital	11	6,150,000	6,150,000
6,735	6,557	Reserves		663,622	646,091
3,169	4,954	Unappropriated profit		312,237	488,112
72,322	73,929			7,125,859	7,284,203
(685)	(846)	Deficit on revaluation of assets - net of deferred tax	12	(67,497)	(83,358)
71,637	73,083			7,058,362	7,200,845
CONTINGENCIES AND COMMITMENTS					
13					

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 FIRST QUARTER ENDED MARCH 31, 2014

March 31, 2014 -----(US Dollars in '000)----	March 31, 2013		Note	March 31, 2014 ------(Rupees in '000)-----	March 31, 2013
4,650	4,023	Mark-up/return/interest earned		458,117	396,423
2,814	2,292	Mark-up/return/interest expensed		277,247	225,796
1,836	1,731	Net mark-up/ interest income		180,870	170,627
51	(7)	Provision / (reversal) against non -performing advances		4,982	(677)
79	63	Provision for diminution in the value of investments		7,832	6,242
-	-	Bad debts written off directly		-	-
130	56			12,814	5,565
1,706	1,675	Net mark-up/ interest income after provisions		168,056	165,062
NON MARK-UP/INTEREST INCOME					
69	18	Fee, commission and brokerage income		6,838	1,739
53	61	Dividend income		5,234	5,963
347	179	Gain on sale of securities		34,186	17,623
71	33	Unrealised gain on revaluation of investments classified as 'held-for-trading' securities		7,002	3,278
2	2	Other income		234	156
542	293	Total non -mark up/interest income		53,494	28,759
2,248	1,968			221,550	193,821
NON MARK-UP/INTEREST EXPENSES					
872	775	Administrative expenses		85,941	76,344
57	38	Other write offs / provisions		5,664	3,698
56	16	Other charges		5,540	1,613
985	829	Total non-mark up/interest expenses		97,145	81,655
1,263	1,139			124,405	112,166
-	-	Extra ordinary /unusual items		-	-
1,263	1,139	PROFIT BEFORE TAXATION		124,405	112,166
328	466	Taxation - current		32,329	45,910
-	-	- prior		-	-
45	(110)	- deferred		4,420	(10,821)
373	356			36,749	35,089
890	783	PROFIT AFTER TAXATION		87,656	77,077
----- US Dollar -----					
0.0014	0.0013	Basic and diluted earnings per share	14	0.14	0.13

The annexed notes from 1 to 20 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 STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2014

March 31, 2014 ----- (US Dollars in '000) -----	March 31, 2013		March 31, 2014 ----- (Rupees in '000) -----	March 31, 2013
890	783	PROFIT AFTER TAXATION	87,656	77,077
-	-	Other comprehensive income	-	-
<u>890</u>	<u>783</u>	Total comprehensive income for the period	<u>87,656</u>	<u>77,077</u>

(Deficit) / surplus on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

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 FIRST QUARTER ENDED MARCH 31, 2014

March 31, 2014 ------(US Dollars in '000)-----	March 31, 2013		Note	March 31, 2014 ------(Rupees in '000)-----	March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES					
1,263	1,139	Profit before taxation		124,405	112,166
53	61	Less: Dividend income		5,234	5,963
<u>1,210</u>	<u>1,078</u>			<u>119,171</u>	<u>106,203</u>
Adjustments for non-cash charges					
37	38	Depreciation		3,690	3,775
2	3	Amortisation of intangible assets		186	315
(71)	(33)	Unrealised gain on revaluation of investments classified as 'held-for-trading' securities		(7,002)	(3,278)
(2)	(1)	Gain on sale of fixed assets		(234)	(84)
51	(7)	Provision / (reversal) against non-performing advances		4,982	(677)
79	63	Provision for diminution in the value of investments		7,832	6,242
1	3	Financial charges on leased assets		92	299
<u>97</u>	<u>66</u>			<u>9,546</u>	<u>6,592</u>
<u>1,307</u>	<u>1,144</u>			<u>128,717</u>	<u>112,795</u>
(Increase) / decrease in operating assets					
4,115	1,162	Lendings to financial institutions		405,435	114,532
(5,605)	13,174	Net Investments in Held-for-Trading securities		(552,228)	1,298,012
4,966	10,025	Advances		489,255	987,757
357	335	Other assets		35,145	32,963
<u>3,833</u>	<u>24,696</u>			<u>377,607</u>	<u>2,433,264</u>
Increase / (decrease) in operating liabilities					
-	-	Bills payable		-	-
8,681	(27,678)	Borrowings		855,366	(2,727,090)
613	(863)	Deposits and other accounts		60,406	(85,048)
1,231	23	Other liabilities		121,341	2,280
<u>10,525</u>	<u>(28,518)</u>			<u>1,037,113</u>	<u>(2,809,858)</u>
<u>15,665</u>	<u>(2,678)</u>			<u>1,543,437</u>	<u>(263,799)</u>
(1)	(3)	Financial charges paid on leased assets		(140)	(329)
(522)	(710)	Income tax paid		(51,428)	(69,976)
<u>15,142</u>	<u>(3,391)</u>	Net cash from / (used in) operating activities		<u>1,491,869</u>	<u>(334,104)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
(15,770)	2,557	Net proceeds from / (Investments in) available-for-sale securities		(1,553,807)	251,930
-	14	Net proceeds from investments in held-to-maturity		-	1,331
35	43	Dividend income received		3,471	4,197
(112)	(12)	Investments in operating fixed assets		(11,024)	(1,134)
2	10	Sale proceeds on sale of fixed assets disposed off		234	1,005
<u>(15,845)</u>	<u>2,612</u>	Net cash (used in) / from investing activities		<u>(1,561,126)</u>	<u>257,329</u>
CASH FLOW FROM FINANCING ACTIVITIES					
(49)	(16)	Payment of lease obligation		(4,807)	(1,557)
(752)	(795)	Decrease in cash and cash equivalents		(74,064)	(78,332)
<u>5,690</u>	<u>2,640</u>	Cash and cash equivalents as at beginning of the period		<u>560,645</u>	<u>260,159</u>
<u>4,938</u>	<u>1,845</u>	Cash and cash equivalents at the end of the period	16	<u>486,581</u>	<u>181,827</u>

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

Chief Financial Officer

Managing Director
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Managing Director
and Chief Executive

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2014

	Issued, subscribed and paid up capital	Reserves		Unappropriated profit	Total
		Statutory reserve	General reserve		
----- (Rupees in '000) -----					
Balance as at January 1, 2013	6,150,000	559,353	11,630	437,039	7,158,022
Comprehensive Income					
Net profit after tax for the first quarter ended March 31, 2013	-	-	-	77,077	77,077
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	77,077	77,077
Transfers					
Transfer to statutory reserve	-	15,415	-	(15,415)	-
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 March 31, 2013	6,150,000	574,768	11,630	252,701	6,989,099
Comprehensive Income					
Net profit after tax for the nine months ended December 31, 2013	-	-	-	298,463	298,463
Other comprehensive income - net of tax	-	-	-	(3,359)	(3,359)
	-	-	-	295,104	295,104
Transfers					
Transfer to statutory reserve	-	59,693	-	(59,693)	-
Balance as at December 31, 2013	6,150,000	634,461	11,630	488,112	7,284,203
Comprehensive Income					
Net profit after tax for the first quarter ended March 31, 2014	-	-	-	87,656	87,656
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	87,656	87,656
Transfers					
Transfer to statutory reserve	-	17,531	-	(17,531)	-
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 March 31, 2014	6,150,000	651,992	11,630	312,237	7,125,859

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Chief Financial Officer

Managing Director
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PAK OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 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, 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 first quarter ended March 31, 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 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 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, 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. 98.5297 = US dollar 1 for the first quarter ended March 31, 2014 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, 2013.

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, 2013.

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, 2013.

6 INVESTMENTS - net

Note	March 31, 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)-----						
6.1 Investments by types						
Held-for-trading securities						
Pakistan investment bonds	623,784	184,720	808,504	30,659	252,088	282,747
Market treasury bills (T-Bills)	785,658	70,699	856,357	726,187	197,369	923,556
Listed ordinary shares	111,142	-	111,142	17,472	-	17,472
	<u>1,520,584</u>	<u>255,419</u>	<u>1,776,003</u>	<u>774,318</u>	<u>449,457</u>	<u>1,223,775</u>
Available-for-sale securities						
Pakistan investment bonds	1,130,504	2,928,923	4,059,427	402,615	2,351,998	2,754,613
Listed ordinary shares	398,037	-	398,037	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	600,317	-	600,317	605,074	-	605,074
Term finance certificates (TFCs)	2,414,975	-	2,414,975	2,351,722	-	2,351,722
	<u>4,689,503</u>	<u>3,154,923</u>	<u>7,844,426</u>	<u>3,712,971</u>	<u>2,577,998</u>	<u>6,290,969</u>
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	301,208	-	301,208
	<u>885,116</u>	<u>70,726</u>	<u>955,842</u>	<u>885,116</u>	<u>70,726</u>	<u>955,842</u>
Subsidiary						
Pak Oman Asset Management Company Limited	168,300	-	168,300	168,300	-	168,300
	<u>168,300</u>	<u>-</u>	<u>168,300</u>	<u>168,300</u>	<u>-</u>	<u>168,300</u>
Investments at cost	<u>7,263,503</u>	<u>3,481,068</u>	<u>10,744,571</u>	<u>5,540,705</u>	<u>3,098,181</u>	<u>8,638,886</u>
Less: Provision for diminution in the value of investments	825,685	59,271	884,956	818,203	59,271	877,474
Investments - net of provisions	<u>6,437,818</u>	<u>3,421,797</u>	<u>9,859,615</u>	<u>4,722,502</u>	<u>3,038,910</u>	<u>7,761,412</u>
Gain on revaluation of held-for-trading securities	8,128	2,780	10,908	193	3,713	3,906
Deficit on revaluation of available-for-sale securities	(74,921)	(23,485)	(98,406)	(54,758)	(81,259)	(136,017)
Total investments at carrying value	<u>6,371,025</u>	<u>3,401,092</u>	<u>9,772,117</u>	<u>4,667,937</u>	<u>2,961,364</u>	<u>7,629,301</u>

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. The Company has maintained 60% (December 31, 2013: 53.56%) provision on credit exposure and 100% (December 31, 2013: 100%) impairment on mark-to-market loss on shares in this unconsolidated condensed interim financial information.

6.3 The subsidiary company has decided not to continue with the plan of amalgamation with AKDIMCL and is considering various options including merger with another Asset Management Company.

	(Un-audited) March 31, 2014	(Audited) December 31, 2013
	----- (Rupees in '000) -----	
7. ADVANCES - net		
Loans in Pakistan	6,602,000	7,225,533
Net investment in finance lease in Pakistan	1,341,302	1,207,024
Advances - gross	<u>7,943,302</u>	<u>8,432,557</u>
Less: Provision for non-performing advances	(943,849)	(938,867)
Advances - net of provision	<u><u>6,999,453</u></u>	<u><u>7,493,690</u></u>

7.1 Advances include amount aggregating Rs. 1,108.439 million (December 31, 2013: Rs. 1,132.366 million), which have been placed under the non-performing status as detailed below:

March 31, 2014 (Un-audited)					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	-	-	-	-	-
Doubtful	53,563	-	53,563	-	-
Loss	1,054,876	-	1,054,876	943,849	943,849
	<u>1,108,439</u>	<u>-</u>	<u>1,108,439</u>	<u>943,849</u>	<u>943,849</u>

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
	<u>1,132,366</u>	<u>-</u>	<u>1,132,366</u>	<u>938,867</u>	<u>938,867</u>

7.2 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 March 31, 2014, the Company has availed total accumulated FSV benefit amounting to Rs. 287.533 million (net of tax Rs. 186.897 million). Accordingly, accumulated profit of Rs. 186.897 million (net of transfer to statutory reserves Rs. 149.517 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)		
First quarter ended		
	March 31, 2014	March 31, 2013
	----- (Rupees in '000) -----	
8. OPERATING FIXED ASSETS		
During the period additions to operating fixed assets were as follows:		
Owned		
Office equipment	580	21
Computer equipment	1,010	463
Furniture and fixture	-	650
Vehicles	3,355	-
Capital work in process	6,079	-
	<u>11,024</u>	<u>1,134</u>

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

Owned		
Vehicles	234	921

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

9 DEFERRED TAX ASSETS - net

Deductible temporary differences arising for:

Provision for diminution in the value of investments	236,493	233,751
Other provisions	1,294	1,294
Amortisation of premium on federal government securities	871	778
Assets subject to finance leases	81	(1,170)
Revaluation on investments classified as available-for-sale	30,909	52,659
Provision against non-performing loans and advances	330,347	328,603
	599,995	615,915

Taxable temporary differences arising for:

Accelerated tax depreciation allowances	(300)	601
Revaluation on investments classified as held-for-trading	(4,139)	(1,402)
Dividend receivable	(176)	-
Net investment in finance leases	(78,058)	(71,622)
	(82,673)	(72,423)
	517,322	543,492

10 DEPOSITS AND OTHER ACCOUNTS

Certificate of investments - remunerative (in local currency)		
Financial institutions	857,747	607,747
Others	3,636,507	3,826,101
	4,494,254	4,433,848

10.1 The rate of return on deposits maturing April 2014 to February 2017 (2013: January 2014 to July 2015) is 8.60% to 12.30% (2013: 8.6% to 12.30%) per annum.

11 SHARE CAPITAL

11.1 Authorized capital

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

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

	First quarter ended	
	March 31, 2014	March 31, 2013
Profit after taxation (Rupees in '000)	87,656	77,077
Weighted average number of ordinary shares (in '000)	615,000	615,000
Basic and diluted earnings per share (Rupee)	0.14	0.13

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-----			
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	<u>(14,547)</u>	<u>92,860</u>	<u>46,092</u>	<u>124,405</u>
First quarter ended March 31, 2013 (Un-Audited)				
Total income	-	246,008	179,174	425,182
Total expense	17,217	163,883	131,916	313,016
Net income	<u>(17,217)</u>	<u>82,125</u>	<u>47,258</u>	<u>112,166</u>

16 **CASH AND CASH EQUIVALENTS**

	(Un-Audited)	
	March 31, 2014	March 31, 2013
	----- (Rupees in '000) -----	
Cash and balances with treasury banks	80,433	70,437
Balances with other banks	206,148	111,390
Placements	200,000	-
	<u>486,581</u>	<u>181,827</u>

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 was authorised on April 14, 2014 by the board of directors.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman